



Proposal for:



**To provide rate case consulting and expert witness services on
Northern States Power Company's Rate Increase
RFP No. PU-10-657**

Proposal Due: March 4, 2011

Submitted by:

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6.02 Introduction

Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the State should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP. The proposal must disclose any instances where the firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict (e.g. employed by the State of North Dakota).

Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

Blue Ridge Consulting Services, Inc. (Blue Ridge) is pleased to submit this proposal to the North Dakota Public Service Commission (Commission or State) in response to RFP Number PU-10-657. By this proposal, Blue Ridge offers consulting services to conduct research and analysis relevant to two rate increases requested by Northern States Power Company (NSP or Company) in its application filed December 20, 2010. Based on this research and analysis, we are prepared to develop and sponsor testimony before the Commission on behalf of NSP's ratepayers for the 2011 and 2012 test years. Blue Ridge understands that the selected consultant will assist Commission Staff (Staff), assigned to this case from the Economic Regulation Division, with presenting its case on behalf of the NSP ratepayers.

Blue Ridge is dedicated to providing exceptional value-added services using a cost-effective, commonsense approach. The hallmark of Blue Ridge's consulting practice is its ability to deliver comprehensive results on a timely basis. The firm carefully plans consulting engagements to ensure that Blue Ridge's clients receive the most cost-effective solution. Blue Ridge provides rate case expertise as well as utility, regulatory, and management consulting services to regulatory commissions, attorney generals, consumer advocacy groups, and other interested stakeholders. The company focuses its efforts in regulatory affairs support; rate case analyses; and management, operational, and rate case audits. We welcome the opportunity to work closely with Staff throughout this project.

We have proposed a highly experienced and qualified team of professionals with a combined experience covering most aspects of the regulatory rate case process. The Blue Ridge team is thorough, reliable, and adaptable to changing circumstances. Most importantly, Blue Ridge provides independent objective assessment, developing defensible positions that are supported by the facts and verifiable industry analysis. To complement its skill set and experience, Blue Ridge teams with respected subject-matter experts who bring the quality and depth of their skills and experience to Blue Ridge's engagements.

We intend to achieve two primary goals through this response to the RFP. First, we will demonstrate our understanding of the scope of services requested by describing the tasks, inputs, outputs, and interrelationships among the tasks that may develop throughout the engagement. Second, we will demonstrate how our extensive rate case experience is the most cost-effective solution to providing a comprehensive evaluation of Northern State Power's application. Through all of this, Blue Ridge is committed to complying with all of the provisions in RFP Number PU-10-657.

The Blue Ridge team is not aware of any conflict of interest in doing business with the North Dakota Public Service Commission.

This proposal remains in effect for 60 days from the deadline for proposals of March 4, 2011.

Please direct all inquiries for additional information to:

Michael J. McGarry, Sr.
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Sincerely,



Michael J. McGarry, Sr.
President / CEO

6.03 Understanding of the Project

Offerors must provide comprehensive narrative statements that illustrate their understanding of the requirements of the project, deliverables, project schedule, and contract terms and conditions. Offerors must also identify any pertinent issues and potential problems related to the project.

Requirements of Project

Northern States Power Company has filed an application with the North Dakota Public Service Commission seeking an electric rate increase for 2011 of 12.02% and a step-up in 2012 to 14.59%. Commission Advocacy Staff will represent ratepayer interests in this case, and Blue Ridge will be expected to assist Staff with analyzing rate base, cost of capital, net operating income, and rate design for the 2011 test year and the 2012 step-up to ascertain the appropriateness and/or necessity for the rate increases. An integral part of that analysis is the determination of revenue requirement or that amount of money that the utility will be allowed to collect through its rates from its ratepayers. The calculation of revenue requirements requires dozens of supporting schedules, including those supporting rate base, determination of cost of capital, taxes, and operating expenses.

As shown in our experience section below, Blue Ridge has extensive experience reviewing and analyzing revenue requirements and has testified numerous times to various recommendations and adjustments in a number of jurisdictions. We have prepared “if-what” scenario analysis to reflect in real-time the interrelationship impact that various adjustments have on overall revenue requirements.

Blue Ridge also understands that we will assist the Advocacy Staff in evaluating and, if necessary, developing an alternative to the Company’s proposal associated with debt structure, return on equity, and cost of capital. These components have a significant and direct impact on the Company’s calculation of its required revenue requirement. Our approach will be fair and balanced with the goal of providing a reasonable and defensible alternative for the Commission to consider and adopt for NSP.

With respect to cost of service and revenue allocation, Blue Ridge brings significant experience in cost of service and rate design. Blue Ridge stands ready to assist in any and all of these areas, including the assessment of appropriate demand allocators and the applicability of stand-alone rates (i.e., the City of Minot) as needed.

As noted in the RFP, use of a set of blanket or canned data requests at the outset of the engagement will not be permitted. As such, Blue Ridge will review the data provided by the Company prior to submitting additional data requests. We will work with the already provided compliance filing with all workpapers to determine what, if any, additional information or data would be needed.

Deliverables

Blue Ridge will prepare issue summaries that will form the basis of our direct (and rebuttal) testimony. We have found these issue summaries to be effective tools in developing and then summarizing particular issues for testimony. These summaries become part of the workpapers that support the testimony that we submit.

Blue Ridge will also prepare direct, rebuttal, and surrebuttal/supplemental testimony to present and support any potential adjustments to NSP’s position or to propose alternative adjustments to the Company’s case. The rebuttal (and surrebuttal/supplemental if needed) will focus on

responding to other parties critique of our positions, recommendations and/or adjustments as well as responding to positions taken by other parties in their direct testimony, if needed.

Blue Ridge, as part of its post-testimony support phase, will assist Advocacy Staff Counsel with the briefing process and review the drafts produced by Counsel as required.

Schedule

Blue Ridge is experienced with the demands of a litigated rate case schedule. According to the RFP, many of the significant schedule dates are set, and we are prepared to adhere to the schedule starting with pre-filed testimony being due on June 20, 2011. Accordingly, Blue Ridge will provide its draft testimony to Advocacy Staff Counsel on June 13, 2011. Our draft rebuttal will be provided by July 13, 2011, and we are prepared for the testifying witnesses to be in Bismarck at Counsel's direction on August 16-17, 2011.

Contract Terms and Conditions

Blue Ridge reviewed the contract terms and conditions and has no objections to provisions contained therein.

Pertinent Issues and Potential Problems

As described in Northern States Power's application and related testimony, NSP's request for the rate increase results from increases in rate base and operating expenses since its last approved rate case in Case No. PU-07-776. Specifically, Company witness Laura McCarten demonstrated in her testimony that infrastructure investment (\$15.6 million), economic trends (\$2.0 million), and regulatory compliance (\$5.6 million) were the driving 2011 factors behind the Company's need for additional revenues. These amounts are expected to be offset by increased sales growth of \$3.4 million to produce a total of \$19.8 million for 2011. The Company is proposing a rate of return of 8.74% based on a return on equity of 11.25%. For the 2012 step increase of \$4.2 million, Witness McCarten cites several capital projects that will come into service during 2011 for which the Company is seeking approval.

As mentioned above, Blue Ridge understands that Advocacy Staff is interested in exploring two cost of service related issues including an alternative to the 12CP method of allocating demand costs by and the possibility of establishing a stand-alone rate for the City of Minot. We are prepared to work collaboratively with Advocacy Staff to explore the information available and the impacts (costs and benefits) of these two issues.

Blue Ridge does not anticipate any significant difficulties involving researching and analyzing the issues in this case. The Company's initial application and testimony appear to have sufficient information to begin the analysis. This information, when complemented with supplemental data requests, should be sufficient to provide for a robust analysis and possible recommendations. Blue Ridge has a long history of meeting commission schedules, adhering to budget, and satisfying the scope of the project. We have included letters of reference for two of our recent rate cases.

As specified in our assumptions (see Cost section, below), timely responses to data requests that are provided in workable (i.e., searchable and detailed) formats are critical to maintaining schedule. Blue Ridge assumes a reasonable turnaround of data responses to requests as delineated in the approximate contract schedule included in the RFP. Blue Ridge further anticipates effective communication with and support from the Commission in ensuring appropriate data response from the Company.

6.04 Methodology Used for the Project

Offerors must provide comprehensive narrative statements that set out the methodology it intends to employ. Offerors must illustrate how the methodology will serve to accomplish the work and provide the deliverables described in the scope of work within the State's project schedule.

Blue Ridge employs a standardized methodology to rate case analysis to ensure efficiency, effectiveness, and proper control for our clients. For each of the major components in our standard methodology, we have highlighted specific issues, high-level tasks, and deliverables. Blue Ridge's standard methodology leverages our experience and understanding of the rate case process. We have proposed a highly experienced and qualified team of professionals whose combined experience covers every aspect of the regulatory prudence/rate case process.

Blue Ridge methodology also provides a quality assurance process that includes our team-based peer-review. Appendix A describes our approach. We believe that our process ensures that the work products and deliverables will exceed the quality standards that the Commission expects from the consultant awarded this contract.

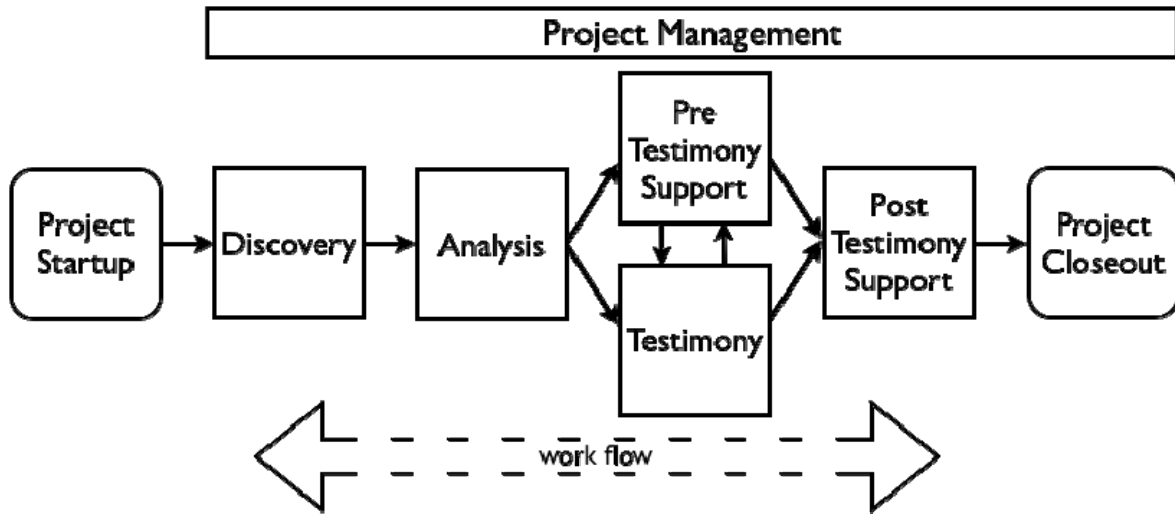
In this section, we will present our technical understanding of the activities, inputs, outputs, and interrelationships of the tasks and activities associated with the rate case process, specifically those presented in the solicitation: rate base, cost of capital, net operating income, and rate design. Blue Ridge will perform these tasks and activities for each of the two test years presented by NSP in its filing.

The Blue Ridge methodology includes eight major and distinct phases. These phases allow us not only to streamline and manage the work plan but also to identify overlap and critical path areas for the project's success. The phases include:

- Project Start-up
- Project Management
- Discovery
- Analysis
- Issue Summaries
- Testimony
- Post Testimony Support
- Project Closeout

The following illustration summarizes the workflow of our methodology.

Figure 1: Blue Ridge's Workflow Methodology



Each of these phases is described in more detail below.

PROJECT STARTUP

Upon award of this assignment, Blue Ridge will initiate one or more telephone discussions with the Commission’s Project Manager assigned as Blue Ridge’s contact liaison. The purpose of the telephone discussions is to ensure complete understanding of the background, expectations, and timing (overall schedule) of the project. These discussions will also facilitate identification of key contacts for the project.

Blue Ridge will then prepare a detailed work plan, which will be consistent with expectations and project objectives and be flexible enough to adapt to the on-going demands of the project.

Specific Tasks

- Sign any required non-disclosure and/or confidentiality agreements required by the Company to review protected information.
- Prepare for and meet with the Staff Project Manager
- Identify key project participants, both internal and external, and contact information/roles
- Review objectives, work plan and schedule assumptions and identify any changes desired by Staff
- Develop finalized work plan and schedules and submit to Staff’s Project Manager for review, comment, and concurrence
- Review Company application and related available documents (through Commission website and other public means)
- Perform preliminary assessment of issues

Task Deliverables

- Non-disclosure and/or confidentiality agreements
- Detailed work plan
- High level preliminary assessment of issues

PROJECT MANAGEMENT

As with any major engagement, project management processes represent those underlying activities that assist in ensuring a successful project. These processes naturally include the team management, oversight, and direction responsible for ensuring a smoothly run project. Blue Ridge strives to make these processes as effective as possible while keeping the focus on the other phases of our methodology.

To assist in preserving schedule and efficiency, it is essential to track and manage the tremendous amount of information generated in the process. The Blue Ridge system for supporting the document management consists of an electronic database system (DMS) that is used to maintain and track information received from the Department and all other stakeholders. Blue Ridge's DMS allows us to ensure that all information and documents gathered, including, among other data, responses to data requests and interview notes, are secure and can be referenced in a timely fashion. This system can also limit the need for onsite visits as documents can be transferred quickly and securely to our team members' desktops for their review and analysis.

Specific Tasks

- Coordinate distribution, tracking, and management of research discovery
- Update status of assigned tasks
- Update status of tasks as reported by team members assigned to each task

Task Deliverables

- Informal Status Reporting to Staff Project Manager

DISCOVERY

During the Discovery phase, Blue Ridge will establish the document management process. We will review the Company's initial filing of testimony and data and then submit supplemental and follow-up data requests.

Blue Ridge normally separates Discovery from Analysis as distinct phases in a rate case examination. However, it is this discovery that will be used not only in the analysis of the major task groups, but also in the preparation of testimony.

Specific Tasks

- Establish Document Management Process
- Finalize the structure to be used to catalog and tie documents received or produced in investigation/research for overall activities and for issue-specific information
- Establish nomenclature to identify documents and other artifacts (e.g., issue notes, discovery responses, industry-obtained documents)
- Set up the document management database
- Receive, enter in project database, and classify documents as they are received (including not only documents received from others, but also issue summaries and other products of the review)

Task Deliverables

- List of requests made and documents received
- Background statistics

ANALYSIS

Blue Ridge will perform an examination of NSP's application with regard to revenue requirement or that amount of money that the Commission will authorize the Company to collect through its rates from its ratepayers. This examination is an integral part of the rate case process. An analysis of the components that go into the revenue requirement model is required to obtain an understanding of the dynamics of the Company. The following is a list of specific tasks that we intend to include in our workplan to conduct an effective and efficient review of NSP's application.

- Understanding the Company's accounting system, including:
 - The account descriptions and numbering system and instructions accompanying the accounting requirements
 - The differences between the company's accounting and financial reporting system and the accounting and reporting used for regulatory purposes
 - The Chart of Accounts and cost centers being charged particularly at the corporate level
 - The queries that can be performed to retrieve information
 - The comprehensiveness of the accounting system
- Analysis of historical financial data, including:
 - Develop spreadsheets for the prior three to five years historical data from the income statement to trend major changes and potential "one-time adjustments"
 - Line items for each element in rate base, each category of revenue, and each category of expense. Additional detail could be prepared on each plant account, each accumulated depreciation and depreciation account by type of plant
 - Unit sales data, number of customers by type, and other information that could be useful
 - Performance of a ratio analysis to identify the most significant changes in investment, revenues, and expenses to determine if additional detail information would be required through discovery
- Review of Federal Regulatory Reports, Shareholder Reports, and SEC filings
- Review of SEC Audit Reports, Federal Utility Audit Reports, and Other Audit Reports
- Review prior orders
- Review prior audit reports (if any) and prior work papers
- Review external and internal audit reports
- Determine the appropriateness of the Test Year
- Check schedules and supporting documents for mathematical accuracy
- Field visits and review of property, if appropriate
- Submit a list of records to be reviewed
- Review of proposed adjustments
- Review of Rate Base items
 - Plant in Service
 - Plant Held for Future Use
 - Construction Work-in Progress
 - Acquisition Adjustments
 - Cash Working Capital
 - Customer Deposits
 - Prepayments

- Contributions-in-Aid of Construction / Customer Advances
- Materials and Supplies and Purchasing Practices
- Accumulated Deferred Income Taxes
- Regulatory Assets and Other Deferrals
- Suspense and Clearing Accounts
- Review of Income Taxes
 - Accumulated Deferred Income Taxes
 - Investment Tax Credits
 - Income Tax Expense
 - Revenue Conversion Factor
 - Inter-company Tax Allocation Agreements
- Depreciation and Amortization Expense and Accumulated Reserves
 - Depreciation expense
 - Accumulated Reserve for Depreciation
 - Amortization Expense
- Review Operating Revenues
 - Retail Revenues and Sales
 - Other Miscellaneous Revenues and Special Charges
 - Unbilled Revenues
 - Unregulated Revenues
 - Uncollectible Revenues
 - Sharing Mechanisms
 - Deferred Cost Recovery Mechanisms
 - Federal Funds and Support Mechanisms
 - Weather normalization issue
- Review Operating Expenses Other than Depreciation and Income Taxes
 - General Review for trends and outliers
 - Known and measurable
 - Maintenance and Repair Expenses and Practices
 - Insurance and Security Costs
 - Fuel, Purchased Power, and/or Natural Gas Costs
 - Salaries and Benefits
 - Pensions
 - Postretirement Benefits Other than Pensions
 - Customer Sales Expense
 - Billing and Collection Expense
 - Dues and Donations
 - Outside or Contractor Services
 - Regulatory Expenses
 - Taxes other than Income Taxes
- Affiliate Transactions and Allocations
- Jurisdictional Allocations (if applicable)
- Calculate Revenue Requirement
- Review of Cost of Capital Issues
 - Review impact of debt structure
 - Evaluate peer group assessment for return on equity
 - Evaluate appropriateness of proposed Return on Equity
- Review of Cost of Service/Rate Design Issues
 - Analyze and evaluate NSP's jurisdictional study
 - Review the allocation methodology proposed

- Review (at a very high level) the Company's capacity planning process
- Review (at a very high level) the load profiles by state
- Prepare recommendations or alternative allocation methodology, if necessary
- Analyze and evaluate NSP's cost of service study
 - Review the selection of cost of service classes
 - Review the cost of service study for appropriate functionalization, classification, and allocation of distribution revenue requirements
 - Understand the basis for the use of the *peaker* methodology¹
 - Review the proposed allocation of the revenue requirements between cost of service classes
 - Evaluate the appropriateness and applicability of stand alone treatment for the City of Minot
 - Prepare recommendations or alternative revenue allocation, if necessary
- Analyze and evaluate the proposed rate design
 - Confirm revenue proof
 - Compare rate elements to unit costs from the cost of service study
 - Review proposed voltage discounts
 - Review proposed miscellaneous service charges²
 - Review proposed standby service charges
 - Prepare recommendations or alternative rate design, if necessary

A typical work plan would include the tasks listed in our Methodology section, those listed above as well as the following tasks as outlined in the request for proposals:

- a. Analyze and evaluate NSP's distribution rate base, revenue requirement, O&M expenses (including depreciation rates and expenses), revenues and other general rate case issues as filed
- b. Analyze and evaluate recognition and recovery of pension expense, other postemployment benefits and uncollectible expenses
- c. Analyze and evaluate appropriate adjustments to historical test year data for weather normalization
- d. Analyze cost of capital issues
- e. Analyze cost of service issues
- f. Assess NSP's compliance with previous Commission determination related to the level of salvage/removal cost allowed in the development of depreciation rates
- g. Assess the inter-company allocations and the level of service provided to NSP operations by various Xcel Energy Services, Inc. groups
- h. Prepare recommendations or alternate adjustments, as needed
- i. Develop testimony to present and defend positions before the Commission at hearing.

Upon award of the contract with the Commission, Blue Ridge will provide a final version of the work plan for Staff's review and approval.

¹ MAP-1, Schedule 2, page 4.

² Peppin Direct, pages 10-14.

PRE-TESTIMONY SUPPORT

The Pre-Testimony Support follows the Analysis phase. Those findings, conclusions, and recommendations resulting from analysis are organized by issue and recorded in Issue Summaries. These Issue Summaries may then be reviewed with Staff to further develop perspective, priority, and emphasis. The Issue Summaries will then be used in the development of testimony.

Specific Tasks

- Develop Issue Summaries based on analysis
- Review Issue Summaries with the Staff

Task Deliverables

- Issue Summaries

TESTIMONY

Testimony will be developed and submitted to the Commission based on the analysis and Issue Summaries. A period of review and discussion may ensue so that testimony is understood and the Advocacy Staff is confident that it is supported by the analysis.

Specific Tasks

- Finalize outline of testimony
- Prepare first draft of testimony
- Incorporate comments
- Prepare second draft of testimony
- Finalize Testimony

Task Deliverables

- Outline of testimony
- Testimony

POST TESTIMONY SUPPORT

Following submission of the testimony, Blue Ridge will support the Advocacy Staff through providing responses to discovery requests relating to the testimony, assisting with cross-examination of opposing witnesses, and developing rebuttal testimony on position taken by other parties. At the conclusions of the hearings, Blue Ridge will assist Staff Counsel with findings of fact and other assistance with initial and reply briefs.

Specific Tasks

- Provide responses to discovery requests concerning testimony
- Review direct testimony of other parties and submit data requests (if needed)
- Prepare rebuttal testimony
- Prepare for hearing and defend position through cross-examination
- Support development of cross-examination of opposing witnesses
- Support development of proposed findings of fact
- Support development of initial briefs
- Support development of reply briefs
- Other assistance in the case as agreed to with Staff

Task Deliverables

- Responses to discovery requests on direct
- Discovery requests of direct of others
- Rebuttal testimony
- Cross-examination support
- Proposed findings of fact support
- Initial and Reply Brief support

PROJECT CLOSEOUT

Following completion of all requirements and disposition of the case, Blue Ridge will closeout the project.

Specific Tasks

- Closeout project

Task Deliverables

- Commission/Staff-requested closing documentation

6.05 Experience and Qualifications

Offerors must describe the experience of their firm in completing similar projects. Additionally, offerors must provide information specific to the personnel assigned to accomplish the work called for in this RFP. Offerors must provide a narrative description of the organization of the project team and a personnel roster that identifies each person who will actually work on the contract and provide the following information about each person listed:

- (a) title;
- (b) resume;
- (c) description of the type of work the individual will perform; and
- (d) the number of estimated hours for each individual named above.

If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

Blue Ridge's principals and independent consultants have experience in most areas of utility regulation, including revenue requirements, rate base, cost of capital, net operating income, and rate design. That combined experience covers most aspects of the rate case process. Blue Ridge's clients include commissions, utilities, and customer groups. Its team members' broad and diverse experience in the utility industry should provide the Commission and its Staff with the assurances it needs that Blue Ridge is fully suited to provide the services requested in the request for proposal.

Our principals, Michael J. McGarry, Sr., and Donna H. Mullinax, CPA, CIA each have thirty or more years of experience in the utility or financial sectors. That experience includes extensive analysis of the components of revenue requirements and testifying to those analyses or other issues in multiple jurisdictions. Blue Ridge's principals have testified or supported testimony in the following jurisdictions Colorado, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Michigan, New York, North Carolina, Nova Scotia, Ohio, Pennsylvania, South Carolina, Texas, and Utah.

As a required element of the project, the Blue Ridge team will assist the Staff in evaluating and, if necessary, developing an alternative to the Company's proposal associated with debt structure, return on equity, and cost of capital. These components have a significant and direct impact on the Company's calculation of its required revenue requirement. Our approach will be fair and balanced with the goal of providing a reasonable and defensible alternative for the Commission to consider and adopt for NSP.

Dr. S. Keith Berry, PhD, will lead Blue Ridge's review of the capital structure, examining the Company's assertion and, if appropriate, modifying the risk-comparable group to be more representative of comparable companies with similar risk as NSP. Ascertaining the allowed return on common equity requires a great amount of determinative judgment. The role of the analyst in this judgment is to determine the market's assessment of the risk and cost of equity of the risk-comparable sample. Dr. Berry will fill that role and proffer a fair and reasonable weighted cost of capital that allows NSP to earn a fair return on its investment to safely serve its customers. Dr. Berry has testified on cost of capital issues in Arkansas, Maryland, Oklahoma, Kansas, Illinois, and at FERC.

Blue Ridge has significant experience in cost of service and rate design. Mr. Howard Solganick, P.E., will lead this segment of the project. Mr. Solganick has provided cost of service, revenue allocation, and rate design services and/or testimony in a number of jurisdictions.³ He has also

³ Delaware, Georgia, Jamaica West Indies, Maryland, Michigan, New Jersey, Ohio, Pennsylvania and the District of Columbia.

addressed revenue decoupling in the states of Delaware, Maryland, and Michigan as well as in the District of Columbia over the past few years. He has also supported the Michigan Attorney General's office in a collaborative process to resolve cost of service issues and models.

In addition to our vast experience with rate cases, our team has performed multiple management audits and financial or rate case audits. Those audits included evaluation of rate base issues for financial instruments (gas and financial hedging), deferred taxes, tax credits, affiliate transactions for cost allocations and transfer pricing, labor loadings, segregation of regulated rate base and subsidiary investments and properties, and tax paid from/to affiliates for proper validation; review of company policies, procedures, and practices to determine whether the company's processes would produce financial information that could reasonably be relied upon in the development of revenue requirements in the company's base rate request; and the actual development and determination of revenue requirements.

The following is a partial list of our relevant experience with rate cases. As previously stated, Blue Ridge and its team of subject-matter experts have proffered expert witness testimony pertaining to many utility-related subject matters.

Blue Ridge Experience

Electric Rate Case Experience

- Before the Michigan Public Service Commission, in the matter of the application of Detroit Edison for authority to increase its electric base rates in Case No U-16472. Blue Ridge is working on behalf of the Attorney General of Michigan. The project team includes Michael McGarry, Donna Mullinax, Dan Salter, Joe Freedman, Tracy Klaes, and Deanna Flanagan. Project is on-going.

Responsible Official:

Mr. Donald Erickson
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
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- Delaware Public Service Commission Docket No. 09-414, Delmarva Power & Light Company electric base rates case. Blue Ridge worked on behalf of the Commission Staff. Mrs. Donna Mullinax filed testimony related to revenue requirements issues including wages and salaries, employee benefits, and other O&M and rate base issues. Mr. Solganick filed testimony related to cost of service and rate design. The project team included Michael McGarry, Donna Mullinax, Howard Solganick, Dan Salter, and Joe Freedman. Tracy Klaes and Deanna Flanagan provided analytical and administrative support. Testimony submitted February 10, 2010. Completed: May 2010

Responsible Official:

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- District of Columbia Public Service Commission in Docket FC1076 Potomac Electric Power Company (Pepco) – Blue Ridge worked directly for the DC Commission and its Staff from the Office of Technical and Regulatory Analysis (OTRA) advising them on the Company’s and intervener’s filings and testimony regarding revenue requirements, rate base, cost of service, rate design, bill stabilization, and depreciation. Project team included Michael McGarry, Donna Mullinax, Howard Solganick, William Dunkel, Roxie McCullar, Joe Freedman, and Tracy Klaes. Completed: May 2010

Responsible Official:

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- Utah Division of Public Utilities (Docket No. 09-035-23) In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations – Blue Ridge worked for the Utah Division of Public Utilities to verify the reasonableness of the revenue requirements as provided by the company in its application. Michael McGarry testified regarding revenue requirements. The supporting team included Donna Mullinax, Joe Freedman, Tracy Klaes, and Deanna Flanagan. Completed: January 2010

Responsible Official:

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- Utah Division of Public Utilities (Docket No. 09-035-15) Net Power Cost Evaluation (NPC), Rocky Mountain Power (RMP) 2009 General Rate Case. Blue Ridge worked for the Division, performing the following: analyzed the reasonableness and technical accuracy of the RMP’s NPC request, performed a comprehensive review of the Company’s NPC estimate and developed recommendations to ensure an accurate baseline for the Energy Cost Adjustment Mechanism (“ECAM”), analyzed special issues addressed in the NPC portion of the case, analyzed the Company’s fuel price hedging policies and provided recommendations appropriate for the ECAM, and reviewed intervener NPC issues as well as analyzing additional issues as raised by the Company. Michael McGarry testified to hedging issues and George Evans testified to the NPC issues. The supporting team included Donna Mullinax, Tracy Klaes, and Deanna Flanagan. Completed: January 2010

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- District of Columbia Public Service Commission in Docket FC1053 Potomac Electric Power Company (Pepco) – Blue Ridge worked directly for the DC Commission and its Staff from the Office of Technical and Regulatory Analysis (OTRA) advising them on the Company's and intervener's filings and testimony regarding revenue requirements, rate base, cost of service, rate design, bill stabilization, and depreciation. A second phase was initiated that addressed bill stabilization and depreciation issues. Project team included Michael McGarry, Donna Mullinax, Howard Solganick, William Dunkel, Roxie McCullar, and Tracy Klaes. Phase I completed February 2007, Phase II completed December 2009.

Responsible Official:

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- Before the Michigan Public Service Commission, in the matter of the application of Detroit Edison for authority to increase its electric base rates in Case No U-15244. Blue Ridge worked on behalf of the Attorney General of Michigan. Mr. McGarry testified regarding rate base and revenue requirements. Direct testimony was filed on July 15, 2008, and updated direct testimony was filed on August 20, 2008. The project team included Michael McGarry, Donna Mullinax, Howard Solganick, Dan Salter, and Tracy Mullinax Klaes. Completed: October 2008

Responsible Official:

Mr. Donald Erickson
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of the Attorney General
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-1123
EricksonD@michigan.gov

- On Behalf of the Ohio Schools Council's attorney for utility matters (Bricker and Eckler, LLP) Blue Ridge provided industry expertise in reviewing the application of First Energy Ohio (and its operating companies Ohio Edison, Cleveland Electric and Toledo Edison) with respect to cost of service and rate design and the resulting impact on Council's member school systems energy costs. (Case No 07-0551-EL-AIR and -UNC) The team included Michael McGarry, Howard Solganick, Donna Mullinax, Deanna Flanagan, and Tracy Mullinax Klaes. Completed: April 2008

Responsible Official:

Mr. Glenn Krassen
Bricker & Eckler, LLP
1375 East Ninth St, Ste 1500
Cleveland, Ohio 44114-1718
(216) 523-5469
GKrassen@Bricker.com

- Before the Michigan Public Service Commission, in the matter of the application of Consumers Energy for authority to increase its electric base rates in Case No U-15245. Blue Ridge worked on behalf of the Michigan Attorney General. Michael McGarry testified regarding Consumers Energy's request for approval to include a surcharge mechanism to recover costs associated with the acquisition of Zeeland Power Company. This testimony was filed on September 18, 2007. Additionally, Michael McGarry and Howard Solganick testified regarding Revenue Requirements and Cost of Service issues, respectively. Direct testimony on those issues was filed on November 6, 2007, and Mr. McGarry's rebuttal testimony was filed on November 20, 2007. The team included Michael McGarry, Donna Mullinax, Howard Solganick, Dan Salter, and Tracy Mullinax Klaes. Completed: April 2008

Responsible Official:

Mr. Michael Moody
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of the Attorney General
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-7540
MoodyM2@michigan.gov

- Maryland Public Service Commission Docket No. 9092/9093 (Phase II) – In the matter of the Application of Potomac Electric Power Company (PEPCO) for authority to revise its rates and charges for electric service and for certain rate design changes and In the matter of the Application of Delmarva Power and Light Company ("Delmarva") for authority to revise its rates and charges for electric service and for certain rate design changes. Mr. McGarry provided rebuttal testimony (submitted January 31, 2008) on behalf of the Commission related to the reasonableness of the costs and charges of Pepco Holdings, Inc. Service Company. Supporting team included Donna Mullinax, Howard Solganick, Dan Salter, William Dunkel, Roxie McCullar and Tracy Mullinax Klaes. Completed: March 2008

Responsible Official:

Mr. Greg Carmean
Executive Director
Public Service Commission
William Donald Schaefer Tower
6 Saint Paul Street, 16th floor
Baltimore, Maryland 21202
(410) 767-8002
GCarmean@psc.state.md.us

- Maryland Public Service Commission Docket No. 9092 – Pepco electric base rates proceeding. Blue Ridge worked on behalf of Commission Staff. Mrs. Mullinax provided expert testimony on revenue requirements and accounting issues. Direct testimony was filed on March 7, 2007 and rebuttal testimony was filed on March 26, 2007. The team included Michael McGarry, Donna Mullinax, Howard Solganick, Dan Salter, William Dunkel, Roxie McCullar and Tracy Mullinax Klaes. Completed: June 2007

Responsible Official:

Mr. David Valcarengi
Contract Mgr. - Acting Director
Public Service Commission
William Donald Schaefer Tower
6 Saint Paul Street, 16th floor
Baltimore, Maryland 21202

(410) 767-8005
DValcarenghi@psc.state.md.us

- Attorney General of the state of Michigan, Case No U-14399, in the matter of the application of The Detroit Edison Company to unbundle and realign its rate schedules for jurisdictional retail sales of electricity. Blue Ridge provided cost of service modeling for analysis of the Detroit Edison cost of service position as presented in its filing. The project team included Michael McGarry, Donna Mullinax, and Howard Solganick. Completed: April 2007

Responsible Official:

Mr. Donald Erickson
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of the Attorney General
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-1123
EricksonD@michigan.gov

- Illinois Commerce Commission Docket 05-0597 in Commonwealth Edison Company request to increase rates. Blue Ridge worked on behalf of the Citizens Utility Board. Michael McGarry was the lead consultant and provided testimony regarding rate base and revenue requirements. He assisted in settlement discussion regarding several stipulated issues. Testimony was filed March 21, 2006. Supporting team members included Donna Mullinax, Michael Dryjanski, Dan Salter, and Debra Rollins. Completed: May 2006

Responsible Official:

Ms. Julie Lucas-Soderna
Legal Counsel
Citizens Utility Board
208 South LaSalle Street, Suite 1760
Chicago, Illinois 60604
(312) 263-4282
JLucas@CitizensUtilityBoard.org

- Michigan Public Service Commission Case No. U-14347 in Consumers Energy Company's request to increase its rates. Blue Ridge worked on behalf of the Michigan Attorney General. Mr. Solganick provided testimony related to cost of service, revenue allocation and rate design issues. Testimony was filed June 6, 2005. Supporting team included Michael McGarry, Howard Solganick, and Debra Rollins. Completed: September 2005

Responsible Official:

Mr. Donald Erickson
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of the Attorney General
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-1123
EricksonD@michigan.gov

- District of Columbia Public Service Commission in Docket FC1032 Potomac Electric Power Company (Pepco) – Blue Ridge worked directly for the DC Commission and its Staff from the Office of Technical and Regulatory Analysis (OTRA) until the parties reached a settlement in that proceeding. Project team included Michael McGarry, Donna Mullinax, Howard Solganick, Jeffrey Rosenblum, Michael Dryjanski, and Debra Rollins. Completed: March 2005

Responsible Official:

Ms. Ellen Brown
Chief Finance and Accounting
Office of Technical Regulatory Analysis
DC Public Service Commission
1333 H Street, NW, Ste 200-West
Washington, DC 20005
(202) 626-5146
EBrown@psc.dc.gov

Gas Rate Case Experience

- Delaware Public Service Commission Docket No. 10-237, Delmarva Power & Light Company gas base rates case. Blue Ridge worked on behalf of the Commission Staff. Mr. Solganick filed testimony related to cost of service and rate design. The supporting project team included Michael McGarry, Donna Mullinax, and Tracy Klaes. Project is ongoing.

Responsible Official:

Ms. Susan B. Neidig
Senior Regulatory Policy Administrator
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 736-7537
Susan.Neidig@state.de.us

Ms. Courtney Stewart
Public Utilities Analyst
Delaware Public Service Commission
861 Silver Lake Blvd.
Cannon Bldg. Suite 100
Dover, Delaware 19904
(302) 736-7532
Courtney.Stewart@state.de.us

- Before the Georgia Public Service Commission, Docket No. 31647 Atlanta Gas Light Company's natural gas local distribution company rate case. Blue Ridge assisted the Commission staff with analysis and testimony on issues of depreciation and rate design. The project team included Michael McGarry, Bill Dunkel, Roxie McCullar, and Tracy Klaes. Project is ongoing.

Responsible Official:

Ms. Nancy Tyer
Unit Director, Natural Gas
Georgia Public Service Commission
244 Washington Street
Atlanta, Georgia 30334
(404) 657-8767
nancyt@psc.state.ga.us

- Before the Michigan Public Service Commission, in the matter of the application of Consumers Energy Company for authority to increase natural gas base rates (Case No U-15506). Blue Ridge worked on behalf of the Attorney General of Michigan. Donna Mullinax testified regarding revenue requirements and net operating income on September 12, 2008. The project team included Michael McGarry, Donna Mullinax, Dan Salter and Tracy Klaes. Completed: November 2008

Responsible Official:

Mr. Michael Moody
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of the Attorney General
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-7540
MoodyM2@michigan.gov

- Delaware Public Service Commission Docket No. 06-284, Delmarva Power & Light Company gas base rates case. Blue Ridge worked on behalf of the Commission Staff. Michael McGarry filed testimony related to revenue requirements. Mr. Solganick filed testimony related to cost of service, revenue allocation, rate design, and the bill stabilization adjustment. The project team included Michael McGarry, Donna Mullinax, Howard Solganick, S. Keith Berry, Dan Salter and Tracy Mullinax Klaes provided analytical support. Completed: March 2007

Responsible Official:

Ms. Susan B. Neidig
Senior Regulatory Policy Administrator
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
(302) 736-7537
Susan.Neidig@state.de.us

- Maryland Public Service Commission Case No. 9062, in the matter of the application of Chesapeake Utilities Corporation for authority to revise its rates and charges for gas service. Blue Ridge worked on behalf of the Maryland Office of People's Counsel. Donna Mullinax provided testimony related to rate base and revenue requirements. Mr. Solganick testified to cost of service, revenue allocation, rate design, and revenue normalization. Dr. Berry provided testimony regarding cost of capital. Testimony was filed on August 4, 2006. The project team included Michael McGarry, S. Keith Berry, Michael Dryjanski, Dan Salter, and Tracy Klaes. Blue Ridge participated in settlement meetings which resulted in a stipulated settlement. Completed: October 2006

Responsible Official:

Mr. Peter Saar
Assistant People's Counsel
Maryland Office of People's Counsel
6 St. Paul St., Suite 2102
Baltimore, Maryland 21202
(410) 767-8158
PeterS@opc.state.md.us

- Michigan Public Service Commission Case No. U-14547 in the matter of the application of Consumers Energy Company for authority to increase its rates for the distribution of natural gas and for other relief. Blue Ridge worked on behalf of the Michigan Attorney General. Mr. McGarry and Mrs. Mullinax provided testimony related to revenue requirements and rate base issues on February 13, 2006. Completed: April 2006

Responsible Official:

Mr. Donald Erickson
Assistant Attorney General
Environment, Natural Resources, and Agriculture Division
Department of the Attorney General
P.O. Box 30755
Lansing, Michigan 48909
(517) 373-1123
EricksonD@michigan.gov

Steam Rate Case Experience

- On behalf of intervener, Newman, Comley & Ruth, Blue Ridge provided consulting advice to the city of Kansas City, Missouri, and to the County of Jackson, Missouri, in the rate case of Trigen-Kansas City Energy Corporation (Trigen) as to the reliability of the audit of Trigen by the Missouri Public Service Commission's Staff, particularly in the areas of revenue requirements and rate design (Case #HR-2008-0300). Project team included Michael McGarry, Donna Mullinax, Howard Solganick, and Tracy Mullinax Klaes. Completed: September 2008

Responsible Official:

Mr. Mark Comley
Newman, Comley and Ruth, P.C.
601 Monroe, Suite 301
P.O. Box 537
Jefferson City, Missouri 65102-0537
(573) 634-2266, ext 301
ComleyM@ncrpc.com

Water Rate Case Experience

- Connecticut Department of Public Utility Control (DPUC) Docket No. 10-02-13 Aquarion Water Company. Blue Ridge worked directly for the DPUC and its Staff advising them on the Company's and intervener's filings and testimony regarding revenue requirements, rate base, affiliate transactions/allocations, and rate design. Mr. McGarry recommended and the Commission accepted an adjustment to Aquarion's revenue requirements to remove a management fee associated with service company costs. Project team included Michael McGarry, Donna Mullinax, Dan Salter, Michael Dryjanski, Joe Freedman, Tracy M. Klaes, and Deanna Flanagan. Project completed September 2010.

Responsible Official:

Mr. James A. Vocolina
Department of Public Utility Control
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2783
James.Vocolina@po.state.ct.us

- Pennsylvania Public Utility Commission Docket No. R-00061322 York Water Company. Blue Ridge worked on behalf of the Pennsylvania Office of Consumer Advocate. Mr. Solganick provided testimony in July 2006 on cost of service and revenue allocation issues. The case settled. The project team included Michael McGarry, Donna Mullinax, Howard Solganick, Michael Dryjanski, and Debra Rollins. Completion Date: October 2006

Responsible Official:

Ms. Dianne Dusman
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 780-4521
DDusman@paoca.org

Team Members

The Blue Ridge team members are experienced professionals with long and successful careers in assisting their clients. This experience provides the Commission with the assurances that the key members of our team have the skills required to complete this project successfully.

Blue Ridge has selected a team that is very capable of providing the range of services and a strong bench to ensure that the rate case is managed effectively and efficiently and the revenue requirements and associated analyses are delivered on time, accurately, and completely. Our project management methodology has been designed to work judiciously on the development of varied issues.

In addition to its own professionals, the Blue Ridge team includes contract consultants that provide specific complementary experience and subject-matter expertise. By mutual agreement, each member of the team is contractually committed to provide the expert consulting services needed to fulfill Blue Ridge's obligation under this solicitation. This contractual commitment is stronger and more stable than an employee-employer relationship; therefore, the Commission will have a more efficient team over the term of this contract.

The following individuals have been assigned to this project:

Project Manager, Lead Consultant, and Expert Witness

Michael J. McGarry, Sr. will serve as Project Manager and have overall responsibility for the project goals, deliverables, schedule of resources, and client relationship. He will provide analyses related to revenue requirements and pro forma adjustments and will be available to provide expert witness testimony in support of the team's recommended revenue requirements. Mr. McGarry, in coordination with Mrs. Mullinax, will schedule task and milestone due dates and maintain close coordination with the team to ensure expected progress within schedule requirements

Mr. McGarry is President and CEO of Blue Ridge, and he has over twenty-nine years of utility industry and regulatory experience. He has been a project manager of numerous rate case reviews for commissions and public advocates and has testified in a number of jurisdictions. He is knowledgeable and well-versed in the issues facing the energy industry with respect to deregulation, cost unbundling, rate case management, and regulatory affairs.

Assistant Project Manager, Lead Consultant, and Expert Witness

Donna Mullinax, CPA, CIA, CFP will serve as Assistant Project Manager, overseeing the project's contract and financial administration. Mrs. Mullinax will focus her efforts on analyses related to the various aspects of revenue requirements and pro forma adjustments. She will be available to provide defensible expert witness testimony in support of the team's recommended revenue requirements.

Mrs. Mullinax has over thirty years of professional experience, including extensive experience in project management; regulatory and litigation support; financial, administration, and human resource management; and financial and management audits, analyses, and systems implementation. She has supported and/or supplied expert witness testimony in a number of rate cases for various commission staffs and/or consumer advocate groups related to revenue requirements. Mrs. Mullinax is Vice President and CFO of Blue Ridge.

Senior Technical Consultant and Expert Witness

Howard Solganick, PE is a subcontractor to Blue Ridge. He will lead the analysis of and provide expert witness testimony related to cost of service and rate design. Mr. Solganick is President of Energy Tactics and Services, Inc. He has worked with Blue Ridge on numerous assignments.

Mr. Solganick's utility experience spans more than thirty-five years. He is the founder of Energy Tactics & Services, Inc., which has served the energy industry since 1994. He has led and/or participated in consulting projects to develop, design, optimize, and implement both traditional utility operations and other businesses. Mr. Solganick has structured operating elements and business ventures, negotiated high value medium and long-term contracts, and implemented business systems, operating functions and profit centers. He has testified and/or prepared testimony in the areas of cost of service, rate design, tariff administration, generation, transmission, distribution and customer service operations, capacity and system planning, and regulatory issues in Delaware, Georgia, Jamaica (West Indies), Maryland, Michigan, Missouri, Ohio, New Jersey, and Pennsylvania. Mr. Solganick also has a regulatory practice area focusing on utility emergency preparedness and restoration response and has provided related testimony in Missouri and Texas.

Senior Technical Consultant and Expert Witness

S. Keith Berry, PhD is a subcontractor to Blue Ridge. He will provide consulting and expert witness services related to rate of return issues, including cost of capital and debt structure. Dr. Berry has worked with Blue Ridge on several projects.

Dr. Berry's professional and academic experience spans over thirty years. His expertise includes economic and financial management, cost of capital, return on equity, flotation cost allowance methodologies, debt analysis, stranded cost, deregulation, prudence reviews, economic viability studies, and auditing. He has testified approximately seventy-five times before the following agencies: Federal Energy Regulatory Commission, Oklahoma Corporation Commission, Securities and Exchange Commission, and Illinois Commerce Commission regarding topics such as cost of capital, cost equalization, purchased power agreements, depreciation, cost allocations, incentive rates, mergers, weather normalization, and bandwidth.

Senior Consultant

Daniel W. Salter is a Senior Consultant with Blue Ridge and will provide consulting support, including analysis, research, and data mining. He will assist with specific issues related to revenue requirements including rate base, cost allocations, and affiliate transactions, as needed.

Mr. Salter is an experienced utility professional with more than twenty-nine years of experience. He has provided support in rate base audits in the area of allocations and affiliate relationships and in rate base review as well as providing support in management audits, especially in areas of affiliate relations and support services. He has analytical expertise in creating and responding to interrogatories and data requests; has supported development of testimony for submission to regulatory bodies and interveners; and has assisted in evaluation of complex revenue requirements models to verify and validate data for regulatory staff.

Senior Consultant

Joseph N. Freedman is a Senior Consultant with Blue Ridge and will review rate base and capital budgets as well as assist with other revenue requirements issues, as needed.

His more than 35 years in the utility industry includes leading a project to upgrade to the next generation of the Power Plant Fixed Asset system software for a Fossil Fuel Generating Station Construction Project. The upgrade was necessary to provide a universal platform to merge four other acquired companies fixed assets into one system. He was responsible for implementing the Federal Energy Regulatory Commission (FERC) guidelines for asset classifications between Transmission/Substation and Distribution assets, and executing the associated Federal and State filing requirements. As a consultant for Blue Ridge, he has assisted with the analysis of revenue requirements on a number of rate cases in several jurisdictions.

Analyst and Document Manager

Tracy M. Klaes is an analyst with Blue Ridge and will provide analysis and document management. Mrs. Klaes has assisted the Blue Ridge team on numerous consulting projects, including assisting in document management for management and prudence audits and rate cases, including discovery, hearings, and deliberation.

Administrative Analyst

Deanna E. Flanagan is an administrative assistant with Blue Ridge and will provide administrative and research support. Mrs. Flanagan has assisted the Blue Ridge team on many consulting projects, including rate cases, management audits, and renewable energy projects.

Detailed resumes for the key team members are included in Appendix B.

The following table provides the expected hours by team member.

| Hours by Team Member | |
|-----------------------------|---------------|
| <u>Team Members</u> | <u>Hours</u> |
| Michael J. McGarry, Sr. | 114.00 |
| Donna H. Mullinax, CPA, CIA | 114.00 |
| Howard Solganick, PE | 276.00 |
| S. Keith Berry, PhD | 122.00 |
| Dan Salter | 130.00 |
| Joe Freedman | 130.00 |
| Tracy Klaes | 98.00 |
| Deanna Flanagan | <u>10.00</u> |
| Total Hours | <u>994.00</u> |

6.06 Cost Proposal

The budgeted cost for this project is capped at \$190,000. Even though the budget is set at \$190,000, cost proposals must include an itemized list of projected direct and indirect costs associated with the performance of the contract, including total number of hours at various hourly rates, direct expenses, overhead and so on.

All costs associated with the contract must be stated in U.S. currency. Any commodities being imported must be identified, and the price must include any applicable customs, brokerage agency fees, and duties.

Blue Ridge is pleased to submit this cost proposal to the Commission for its review and consideration. We believe that the proposed pricing for this engagement provides a reasonable and attractive cost structure for providing the services stated in the solicitation such that they will meet and exceed the expectations of the Commission.

Accordingly, Blue Ridge offers this proposed cost ceiling for professional fees and expenses for the evaluation of the programs according to the tasks and activities described herein. This proposal is in accordance with our proposed schedule.

**Project Budget – Total Project
(including travel and out of pocket expenses)**

\$184,111.40

The summary breakdown of this estimated cost ceiling is included in the following table.

| | McGarry | Mullinax | Solganick | Berry | Salter | Freedman | Klaes | Flanagan | Total | Travel | Grand Total |
|--------------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|-----------|--------------|--------------|---------------|
| Rate per hour | \$ 190.00 | \$ 190.00 | \$ 190.00 | \$ 190.00 | \$ 175.00 | \$ 165.00 | \$ 100.00 | \$ 75.00 | \$ 174.74 | | \$ 185.22 |
| Hours | 114.00 | 114.00 | 276.00 | 122.00 | 130.00 | 130.00 | 98.00 | 10.00 | 994.00 | | 994.00 |
| Billable Fees | \$21,660.00 | \$ 21,660.00 | \$52,440.00 | \$ 23,180.00 | \$22,750.00 | \$ 21,450.00 | \$ 9,800.00 | \$ 750.00 | \$173,690.00 | \$ 10,421.40 | \$ 184,111.40 |
| Task 1 Project start up | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | \$ 1,275.00 | \$ - | \$ 1,275.00 |
| Task 2 Project Managment | 16.00 | 16.00 | - | - | - | - | 16.00 | - | \$ 7,680.00 | \$ - | \$ 7,680.00 |
| Task 3 Discovery | 16.00 | 16.00 | 40.00 | 16.00 | 32.00 | 32.00 | 80.00 | 8.00 | \$ 36,200.00 | \$ - | \$ 36,200.00 |
| Task 4 Analysis | 40.00 | 40.00 | 120.00 | 40.00 | 56.00 | 56.00 | - | - | \$ 64,640.00 | \$ - | \$ 64,640.00 |
| Task 5 Issue Summaries | 8.00 | 8.00 | 50.00 | 16.00 | 16.00 | 16.00 | - | - | \$ 21,020.00 | \$ - | \$ 21,020.00 |
| Task 6 Testimony | 16.00 | 16.00 | 40.00 | 24.00 | 16.00 | 16.00 | - | - | \$ 23,680.00 | \$ 7,816.05 | \$ 31,496.05 |
| Task 7 Post Testimony Support | 16.00 | 16.00 | 24.00 | 24.00 | 8.00 | 8.00 | - | - | \$ 17,920.00 | \$ 2,605.35 | \$ 20,525.35 |
| Task 8 Project Closeout | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | \$ 1,275.00 | \$ - | \$ 1,275.00 |
| Grand Total | 114.00 | 114.00 | 276.00 | 122.00 | 130.00 | 130.00 | 98.00 | 10.00 | \$173,690.00 | \$ 10,421.40 | \$ 184,111.40 |

Blue Ridge’s cost estimate incorporates the following assumptions:

- Blue Ridge will charge only for time actually incurred on behalf of the client.
- Out-of-pocket costs and expenses will be invoiced at cost.
- Blue Ridge reserves the right to shift hours among consultants to accomplish the tasks outlined in the proposal.
- As much work as feasible will be completed off-site to minimize travel expenses. However, Blue Ridge will confer with the client on a regular basis via conference call.
- Blue Ridge will be provided sufficient lead-time for travel arrangements to take advantage of travel discounts.
- Blue Ridge will submit monthly invoices for its incurred costs with supporting documents such as detailed time sheets, expense reports, and vouchers for lodging and transportation.
- A collaborative process exists between the client and Blue Ridge.
- Blue Ridge will receive timely responses to data requests with the majority of information provided in searchable electronic format (e.g., ‘pdf’ files are optically scanned to allow text searches). Workpapers will be provided with functional links and internal cell formulas and

references (i.e., no “value only” Microsoft Excel worksheets).

- Copies of materials will be supplied to each consultant analyst at their respective locations. One copy will also be sent to Blue Ridge’s administrative address.

There are no other fees for this proposal. Blue Ridge seeks to provide the best value to its clients by offering the best value of services and competitive rates. Blue Ridge stands ready to accomplish the expert consulting engagement as detailed in the proposal.

6.07 Required Enclosures

Offerors must provide all documents, samples, or other information specifically required in this RFP.

Letters of Reference

Mr. James Vocolina – Connecticut Department of Public Utility Control
Ms. Susan Neidig – Delaware Public Service Commission

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P.002



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

February, 28, 2011

To Whom It May Concern:

My name is James Vocolina, Jr., I am the Supervisor of Technical Analysis for the Water Section at the Connecticut Department of Public Utility Control. Our office contracted with Blue Ridge Consulting Services, Inc. for the Aquarion Water Company of Connecticut rate case in 2010.

My experience with Blue Ridge was very positive. They showed a great deal of knowledge in the subject matter that they were contracted for (working capital, expense analysis) and were extremely flexible in taking on additional responsibilities if required. I also appreciated the work plan and papers that they put together at the beginning and throughout the process as it helped me track their progress with the case. They also took the time to familiarize themselves with our Department's writing style so that their work was easily incorporated into our decision. Any questions that staff or I had were answered immediately.

Sincerely,

DEPARTMENT OF PUBLIC UTILITY CONTROL

A handwritten signature in black ink, appearing to read "J. Vocolina, Jr.".

James Vocolina, Jr.
Supervisor of Technical Analysis

Ten Franklin Square • New Britain, Connecticut 06051 • Phone: 860-827-1553 • Fax: 860-827-2613
Email: dpuc.executivesecretary@po.state.ct.us • Internet: www.state.ct.us/dpuc

Affirmative Action/Equal Opportunity Employer

TOTAL P.002



STATE OF DELAWARE
PUBLIC SERVICE COMMISSION
861 SILVER LAKE BOULEVARD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

March 1, 2011

North Dakota Public Service Commission
600 E. Blvd Ave
Bismarck, ND 58505

Re: RFP PU-10-657 - Blue Ridge Consulting Services, Inc.

To Whom It May Concern:

I am writing to provide a letter of reference on behalf of Blue Ridge Consulting Services, Inc. ("Blue Ridge"). As the Senior Regulatory Policy Administrator for the Delaware Public Service Commission, I have worked with the Blue Ridge team on several base rate proceedings that included revenue requirement/accounting, cost of service and rate design issues.

The services provided by Blue Ridge team during the discovery, testimony, hearing and post-hearing phases have been very effective and the procedural schedules have been met in a timely fashion. In a recent electric base rate proceeding, the Blue Ridge witnesses provided convincing direct testimony and withstood cross-examination during the hearing phase. The Blue Ridge team also provided support during settlement discussions in the areas of issue evaluation and overall quantification of a settlement position that were very helpful in advancing Staff's positions, all without additional funding from the initial contract price for the engagement.

The Blue Ridge team was also available to verify the outcome of the final Commission decision and successfully defended a variance with the Company's quantification worth approximately \$400,000 for ratepayers, as well as verification of the application of the across the board rate design to yield the increased revenue requirement. Revenue decoupling has also been a much debated issue here in Delaware and the Blue Ridge witness in this matter has been very effective in analyzing various revenue decoupling mechanisms and providing recommendations with accompanying support as this issue has been addressed in multiple cases.

Overall the support and finished products have been of high quality and I would recommend the engagement of Blue Ridge Consulting Services, Inc. Please feel free to call me at 302-736-7537 if you have any additional questions about the work Blue Ridge has provided to the Commission Staff here in Delaware.

Sincerely,

A handwritten signature in cursive script that reads "Susan B. Neidig".

Susan B. Neidig
Senior Regulatory Policy Administrator

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Appendices

Appendix A - Quality Assurance Plan A-3
Appendix B - Resumes A-5
Michael J. McGarry, Sr.A-5
Donna H. Mullinax, CPA, CIA, CFPA-18
Howard Solganick, P. E.A-25
S. Keith Berry, Ph.D.....A-32
Daniel W. Salter.....A-42
Joseph N. FreedmanA-48

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Appendix A - Quality Assurance Plan

Blue Ridge is committed to ensuring that its client receives the highest quality product and service. Quality is defined as adherence to specifications with superiority and distinction. Efficiently creating a work product that is timely in its delivery and includes accurate and relevant results to meet the client's objectives is paramount among our business goals. To that end, we offer this guarantee.

If the client is unsatisfied with any work product such that the work does not meet the client's performance expectations as outlined in the solicitation and defined in an approved work plan, we will either redo the work for no additional fee or not charge the client for the work.¹

Our pledge is simple. We will do the right work right the first time.

To support this pledge, we have developed a peer review based Quality Assurance process. This process is predicated on the team's many years of experience in preparing analyses, studies, reports, testimony, issue papers, and presentations. The major elements of this peer review process include the following:

- All presentations, reports, and other written material (excluding notes and day-to-day correspondence such as emails) for the client will be submitted to the team for editorial and content review.
- All studies and analyses will be jointly reviewed by the Project Manager and the team member conducting the study/analysis. Among items to be confirmed are computations, assumptions, and sources.
- All sources will be properly documented using footnotes and comments.
- After completing the review with the Project Manager, all studies/analyses will be submitted for further review to a team member experienced in the subject matter, but not directly involved with completing the study/analyses. This team member will critique the study/analysis for consistency, completeness, and accuracy. Particular attention will be paid to computational accuracy and flow of analysis.

¹ Any concerns arising out of performance evaluation and quality performance will be addressed first with the Contract Officer and then as outlined in the solicitation.

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Appendix B - Resumes**Michael J. McGarry, Sr.
Project Manager, Lead Consultant, and Expert Witness*****Summary***

Mr. McGarry's professional experience spans twenty-nine years within the private and public sectors. He has conducted over thirty comprehensive management and operational audits of investor-owned energy, telecommunications, and water utilities. These audits have included comprehensive management audits and/or operational audits on most utility functions including corporate governance, strategic planning, internal auditing, capital and operating budget process and practices, distribution operations and maintenance, fuel procurement, supply chain management, demand side management, crew operations, affiliates transactions, commodity trading and construction program practices.

Project Management

Mr. McGarry's experience includes management of multi-discipline teams for a wide range of client engagements, development and implementation of detailed work plans and project schedules. He has analyzed and planned interdivisional resource utilization, supervised, developed and coached interdivisional team members and created numerous executive reports, briefings, and presentations.

Regulatory and Rate Case Management

Mr. McGarry has worked with clients to manage all aspects of the regulatory and rate case process. He has developed efficient processes to prepare supporting analyses and testimony for submission to the regulatory bodies and interveners. He is a seasoned project manager and has analytical expertise to respond to interrogatories and data requests from all rate case interveners in a timely manner. Mr. McGarry has assisted a number of clients in preparing revenue requirement and cost of service analyses. He has also developed rate structure and billing determinant information analyses, time of day and interruptible rates analyses, fuel and purchased power reports and annual wholesale rates for member cooperatives. He has developed complex revenue requirement models to present alternative positions to a utility's proposed rate request.

Testimony and Witness Preparation

Mr. McGarry has proffered and /or supported testimony in Colorado, Delaware, Illinois, Maine, Michigan, Maryland, New York, Nova Scotia, Ohio, Pennsylvania and Utah. These proceedings included testimony involving management decision and prudence impacts, operations and maintenance expenses, capital investments, revenue requirements, project management and others.

Utility Management and Operational Audits

Mr. McGarry has conducted over thirty comprehensive management and operational audits of investor-owned energy and telecommunications utilities. These audits have included comprehensive management audits and/or operational audits on most functions with the utility environment including corporate governance, strategic planning, internal auditing, capital and operating budget process and practices, distribution operations and maintenance, fuel procurement, supply chain management, demand side management, crew operations, affiliates transactions, commodity trading and construction program practices.

Restructuring, Unbundling, and Cost Allocation

Mr. McGarry has developed the supporting analyses and regulatory filing requirements needed to support unbundling rates for utilities. This has included detailed studies where the company's plant-in-service and depreciation reserve was allocated to each unbundled function. He has assessed utility management actions to prepare the company for competition, including the processes and practices used by the utility to prepare to enter new markets and offer new services.

Training and Public Speaking

Mr. McGarry has presented topics before Commission staff groups, NARUC sub-committee groups, and as a program faculty member (2010) for the Institute of Public Utilities at Michigan State University. Topics presented include management auditing and prudence reviews, service company costs and allocations, forecasting methodology and modeling, revenue requirements, rate base, and price regulation theory.

Education

Potsdam College, B.A., Economics, 1981
University at Buffalo School of Management, MBA, 1996

Regulatory Experience

Before the Connecticut Department of Utility Control

Docket 10-02-13 *Application of Aquarion Water Company to Amend its Rate Schedules*

On behalf of the Connecticut Department of Public Utility Control, April 2010-August 2010

Project Manager. Oversaw rate case analysis and assessment of company's proposed revenue requirement specifically related to cash working capital and test year expenses. Assisted with analysis of specific issues and preparation of Commission's recommended decision.

Docket 07-07-01 *Diagnostic Management Audit of Connecticut Light and Power Company.*

On behalf of the Staff of the Connecticut Department of Public Utility, July 2008-June 2009

Project Manager. Performed overall day to day project management responsibilities to conduct a diagnostic management audit of the Connecticut Light & Power Company (CL&P). Managed a project team of accountants, engineers and industry specialists who were responsible for evaluating the effectiveness of the management and operations of all aspects of the company. In addition, managed a focused prudency review of Northeast Utilities' (CL&P's parent company) development and implementation of a \$122 million customer information system known as CustomerCentral or C2.

Before the Delaware Public Service Commission

Docket No. 09-414 *On behalf of the Staff of the Delaware Public Service Commission in the matter of the application Delmarva Power & Light Company for approval of modifications to its electric base rates*, September 2009-May 2010

Project Manager. Oversaw rate case analysis and assessment of company's proposed revenue requirement. Assisted with analysis of specific issues and preparation of witness testimony.

Docket No. 07-239F *On behalf of the Staff of the Delaware Public Service Commission in the matter of the application Delmarva Power & Light Company for approval of modifications to its gas cost rates*, October 2007-April 2008

Project Manager. Oversaw a review of Delmarva Power and Light's gas hedging program.

Docket No. 06-287 *On behalf of the Staff of the Delaware Public Service Commission in the matter of Chesapeake Gas Corporation's implementation of a Gas Hedging program, June-August 2007*

Project Manager. Provided industry expertise and suggestions to the Commission on a proposal plan to implement a gas hedging procurement program at the Company.

Docket No. 06-284 *On behalf of the Staff of the Delaware Public Service Commission in the matter of Delmarva Power and Light Company's request for a \$15 million increase in gas base rates, October 2006-March 2007*

Project Manager and testifying witness. Provide expert testimony on several rate base and revenue requirement issues. Recommended Commission reduce proposed rate increase request to \$8.4 million (56%).

Before the District of Columbia Public Service Commission

Formal Case No. 1076 *In the Matter of the Application of the Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service.*

On Behalf of the DCPSC, July-June 2010

Project Manager: Advised Commission Staff on the Company's and intervener's filings and testimony regarding revenue requirements, rate base, cost of service, rate design, bill stabilization, and depreciation.

Formal Case No. 1053 - *Technical consultant for the Commission in the matter of Potomac Electric Power Company's request for a \$50.4 million increase in base rates, February 2007-June 2008*

Project Manager. Provide technical expertise to Commission in evaluating the Company's rate case filing. Commission accepted adjustments that reduced the allowed increase by a significant percentage.

Formal Case No. 1032 *In the Matter of the Investigation into Potomac Electric Power Company's Distribution Service Rates*

On Behalf of the DCPSC, January-March 2005

Project Manager. Review and evaluation of Potomac Electric Power Company compliance filings for class cost of service and revenue requirements for distribution service pursuant to a settlement approved in May 2002. Provided analysis and recommended adjustments to Staff on 23 designated issues and 13 Company proposed adjustments. Proceeding was settled in anticipation of a full rate case for rates to be effective August 8, 2007.

Formal Case No. 1016 *In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service*

On Behalf of the DCPSC, June-December 2003

Project Manager and Consultant to Commissioners and Staff. Project Manager for the analysis of WGL's rate filings. Provided analysis and recommended adjustments to the DCPSC Staff on WGL's proposed increase to base rates. Advised the Commission during deliberations on party positions and possible recommendations.

Before the Hawaii Public Utilities Commission

Docket No. 05-0075 *In the matter of a proceeding to investigate Kauai Island Utility Cooperative's Proposed Revised Integrated Resource Plan and Demand Side Management Framework, June-November 2005*

Project Manager. Managed a team of consultants responsible for evaluating the impact of the changes proposed by the Company.

Before the Illinois Commerce Commission

Case: 05-0597 *On behalf of the Illinois Citizens Utility Board, Cook County States Attorney's Office and City of Chicago*, November 2005-May 2006

Project Manager and Testifying Witness. Provided analysis and recommended adjustments in the general rate increase of 20.1% or \$320 million filed by ComEd.

Consultant to Illinois Power Company. Conducted mandated compliance filing to un-bundle utility's rate tariffs. Prepared filing requirements and all support schedules analysis to justify allocation of generation, transmission and distribution. Prepared testimony on behalf of the Company's Controller.

Consultant to Illinois Power Company. Prepared 2001 required update filing for the Illinois Commerce Commission compliance filing to un-bundle utility's rate tariffs. Prepared filing requirements and all support schedules analysis to justify allocation of generation, transmission and distribution. Prepared testimony on behalf of the Company's Controller.

Before Maine Public Utilities Commission

Case No 2008-151 *Maine Public Utilities Commission Investigation into Maintenance and Replacement Program for Northern Utilities Inc.'s Cast Iron Facilities (Phase II)*

On behalf of Maine Public Advocate, July 2008-July 2010

Project Manager and Testifying Witness. Litigated proceeding and led a consultant team to assist the State of Maine Public Advocate to follow-up on investigation for the need for the program and the company's management of the repair or replacement of its cast iron facilities.

Case No 2004-813 *Maine Public Utilities Commission Investigation into Maintenance and Replacement Program for Northern Utilities Inc.'s Cast Iron Facilities (Phase I)*

On behalf of Maine Public Advocate, November 2004-March 2005

Project Manager and Testifying Witness. Litigated proceeding and led a consultant team to assist the State of Maine Public Advocate to investigate the need for the program and the company's management of the repair or replacement of its cast iron facilities.

Before the Maryland Public Service Commission

Case No. 9092/9093 (Phase II) *On behalf of the Staff of the Commission in Base Rate Proceeding for Potomac Electric Power Company and Delmarva Power and Light Company*
December-March 2008

Project Manager and Testifying Witness. Provided rebuttal testimony on behalf of the Commission related to the reasonableness of the costs and charges of Pepco Holdings, Inc. Service Company.

Case No. 9092 *On behalf of the Staff of the Commission in Base Rate Proceeding for Potomac Electric Power Company*, January-June 2007

Project Manager. Reviewed and analyzed company's base increase request and all pro formas, adjustments to test year revenue requirement and supported witness testimony. Commission approved less than 20% of Company's original request.

Case No. 9062 *On behalf of the Staff of the Commission in the matter of the application of Chesapeake Utilities Corporation for authority to revise its rates and charges for gas service, May-October 2006*

Project manager. Managed a project team responsible for providing expert witness testimony in the areas of revenue requirements, rate base, cost of service, revenue allocation, rate design, revenue normalization, and cost of capital.

Before the Massachusetts Department of Public Utilities

Case No. D.P.U. 08-110 *On behalf of the Massachusetts Department of Public Utilities regarding the Petition and Complaint of the Massachusetts Attorney General for an Audit of New England Gas Company, February 2010-August 2010*

Project manager. Managed a project team of accountants and industry specialists who were responsible for evaluating the accuracy of the accounting records, practices and procedures used in the development of New England Gas Company's revenue requirements calculations in the Company's base rate request.

Before the Michigan Public Service Commission

Case No. U-16472 *In the matter of the application of The Detroit Edison Company for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority. February 2011-present*

Project Manager. Review of Advanced Metering Infrastructure program cost benefits and tariffs filed and potential witness to same.

Case No. U-16407 *On behalf of the Michigan Attorney General in the matter of the application of Michigan Consolidated Gas Company for approval of a detailed plan for main renewal, including a long-term plan to significantly reduce the amount of cast iron main in its system. November 2010-present*

Project Manager and Testifying Witness. Reviewed Company's proposed plan with respect to whether a cost recovery mechanism can be designed to minimize the impact on ratepayers. Testified as to the reasonableness of cost benefit of replacements as well as to the capital cost recovery as it affects future rate cases.

Case No. U-16300 *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for authority to reconcile its renewable energy plan costs associated with the plan approved in Case No. U-15805. November 2010-present*

Project Manager and Testifying Witness. Reviewed the Company's Renewable Energy Plan Cost Reconciliation for 2009 to ensure the adherence to approved processes and reasonable and prudent costs. Testified as to significant concerns with respect to the transfer price for renewable energy resources proposed by the Company.

Case No. U-16356 *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for authority to reconcile its renewable energy plan costs associated with the plan approved in Case No. U-15806-RPS. October 2010-present*

Project Manager and Testifying Witness. Reviewed the Company's Renewable Energy Plan Cost Reconciliation for 2009 to ensure the Company's adherence to approved processes and reasonable and prudent costs.

Case No. U-15675-R *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for the reconciliation of power supply cost recovery costs and revenues for the calendar year 2009, October 2010-present*

Project Manager and Testifying Witness. Reviewed power supply cost recovery plan requirements and testified to transfer price, replacement power costs, and reasonableness of including excess fuel and variable O&M expenses proffered by various intervenors.

Case No. U-15677-R *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for reconciliation of its power supply cost recovery plan for the calendar year 2009, September-December 2010*

Project Manager and Testifying Witness. Reviewed power supply cost recovery reconciliation and testified with respect to the transfer price for renewable energy source flowing into the PSCR proposed by the Company.

Case No. U-16047 *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for authority to implement a Power Supply Cost Recovery Plan in its rate schedules for 2010 metered jurisdictional sales of electricity, January-May 2010*

Project manager and Testifying Witness. Reviewed power supply cost recovery plan requirements and testified to appropriateness of specific components of that factor.

Case No. U-15415-R *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for the reconciliation of power supply cost recovery costs and revenues for the calendar year 2008 and for other relief related to pension and OPEB costs, May-November 2009*

Project Manager and Testifying Witness. Reviewed gas cost recovery reconciliation and provided analysis of potential issues and developed recommendations including basis, past precedence, and/or industry expertise.

Case No. U-15806/U-15890 *On behalf of the Michigan Attorney General in the matter of Detroit Edison and Michigan Consolidated Gas Company to comply with Public Acts 286 and 296 regarding their Renewable Energy Plan and Energy Optimization Plan, March-June 2009*

Project Manager and Testifying Witness. Reviewed the Energy Optimization Plans of both Detroit Edison and Michigan Consolidated Gas and provided analysis of issues and shortcomings concerning the plans in relation to the specifications of the Act and the benefit to customers.

Case No. U-15805/15889 *On behalf of the Michigan Attorney General in the matter of Consumers Energy Company to comply with Public Acts 286 and 295 regarding its Renewable Energy Plan and Energy Optimization Plan, March-June 2009*

Project Manager and Testifying Witness. Reviewed the Energy Optimization Plans of Consumers Energy Company and provided analysis of issues and shortcomings concerning the plans in relation to the specifications of the Act and the benefit to customers.

Case No. U-15677 *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for authority to implement a power supply cost recovery plan in its rate schedules for 2009 metered jurisdictional sales of electricity, January 2009-June 2010*

Project manager. Reviewed power supply cost recovery plan requirements and testified to appropriateness of specific components of that factor.

Case No. U-15415 *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for approval of a power supply cost recovery plan and for authorization of monthly power supply cost recovery factors for the year 2008, January-March 2008*

Project Manager. Reviewed power supply cost recovery plan requirements and provided summary briefing to Michigan Attorney General.

Case No. U-15320 *On behalf of the Michigan Attorney General in the matter of the application of Midland Cogeneration Venture Limited Partnership for the Commission to eliminate the "availability caps" which limit Consumers Energy Company's recovery of capacity payments with respect to its power purchase agreement with Midland Cogeneration Venture Limited Partnership*, October 2007-June 2008

Project Manager. Oversaw project to provide industry expertise to evaluate issue in case and recommend alternative arguments.

Case No. U-15245 *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief*, July 2007-April 2008

Project Manager and testifying witness. Provided expert testimony on partial and interim rate relief, Consumers' decision to acquire Zeeland Power Company from Broadway Gen Funding, LLC. Provided testimony in permanent phase to reduce company's net operating income to more closely reflect the expected costs in 2008.

Case No U-15244 *On behalf of the Michigan Attorney General in the matter of the application of Detroit Edison for authority to increase its electric base rates*, September 2007-October 2008

Project Manager and testifying witness. Provided expert testimony on revenue requirements.

Case No U-15190 *On behalf of the Michigan Attorney General in Base Rate Proceeding for Consumer's Energy*, March-September 2007

Project Manager. Reviewed the revenue decoupling proposal and supported the witness testimony.

Case No U-15040 *On behalf of the Michigan Attorney General in Gas Cost Recovery 2007/08 Plan proceeding*, March-August 2007

Project Manager and Testifying Witness. Reviewed gas cost recovery plan requirements and provided analysis of the potential benefits of gas procurement hedging program.

Case No. U-15001 *On behalf of the Michigan Attorney General in Power Supply Cost Recovery 2007/08 Plan proceeding*, November 2006-August 2007

Project Manager and Testifying Witness. Reviewed power supply cost recovery plan requirements and testified to appropriateness of specific components of that factor.

Case No. U-14701-R *On behalf of the Michigan Attorney General in Power Supply Cost Recovery (PSCR) 2006/07 reconciliation proceeding*, June-November 2007

Project Manager and Testifying Witness. Reviewed PSCR reconciliation and testified to eliminate some expenses used in the company's calculation of its under-recovery PSCR reconciliation for 2006.

Case No. U-14547 *On behalf of the Michigan Attorney General in the matter of the application of Consumer Energy Company for authority to increase rates for the distribution of natural gas and for other relief*, December 2005-April 2006

Expert Witness and Project Manager. Provided analysis, recommended adjustments and filed testimony for the Michigan Attorney General on Consumers Energy proposed increase to base rates.

New Mexico Public Service Commission

Special Case Study: Public Service Company of New Mexico NM PRC Docket No. 10-00086-UT, August 2010

Blue Ridge worked with QSI Consulting, Inc. to conduct a training session for the New Mexico PSC Staff and develop training materials for presentation to Commission Staff on the basic elements of future test year proceedings, how those may differ from traditional rate cases, and how to apply and interpret the forecasting methodologies and modeling that will come into play; and analyze the pending PNM rate case and provide an analytic framework for Staff to apply to the forecasting issues in the case.

Before the Nova Scotia Utility and Review Board

Case No. P-886 On behalf of the Consumer Advocate of the Province of Nova Scotia in the base rate proceeding of Nova Scotia Power, December 2006-March 2007

Project Manager and testifying witness. Provided an evaluation of a management audit of Nova Scotia Power and that report's usefulness to assess the Company's management performance and operational efficiency within the context of that proceeding.

Before the Public Utilities Commission of Ohio (PUCO)

Case No. 08-0917-EL-SSO On behalf of the Ohio Hospital Association in the matter of the Application of American Electric Power of Ohio for authority to increase rates for distribution of electric service. (Hired by Ohio Hospital Association's attorney for utility matters, Bricker and Eckler, to provide expertise in negotiating rate with American Electric.), September 2008-March 2009

Evaluated revenue and rate impact on member hospitals.

On behalf of the Staff of the PUCO:

- *Case #08-0072-GA-AIR Columbia Gas of Ohio for an increase in gas rates, April-August 2008*
- *Case #07-0829-GA-AIR Dominion East Ohio for an increase in gas rates, November 2007-July 2008*
- *Case #07-0589-GA-AIR Duke Energy Ohio for an increase in gas rates, November 2007-February 2008*

Project Manager. Oversaw multi-discipline team of accountants, auditors, engineers and analysts to conduct a comprehensive rate case audit of Columbia Gas of Ohio's gas base rate filing. Primary goal of project was to validate information in filing, provide findings conclusions and recommendations concerning the reliability of information and data in the filing and support Staff in its evaluation of the reasonableness of the filing.

Case No. 07-0551-EL-UNC On behalf of the Ohio Schools Council in the matter of the Application of First Energy Ohio (and its operating companies Ohio Edison, Cleveland Electric and Toledo Edison) for authority to Increase rates for distribution service, modify certain accounting practices and for tariff approval, August 2007-April 2008

Project Manager. Hired by Ohio Schools Council's attorney for utility matters (Bricker and Eckler, LLP) to provide industry expertise in reviewing First Energy's application with respect to cost of service and rate design and the resulting impact on Council's member school systems energy costs.

Case No. 06-0986-EL-UNC *On behalf of the City of Cincinnati in the matter of the Application of Duke Energy Ohio, Inc., to modify its market-based Standard service over, May-August 2007*
Project Manager. Hired by City of Cincinnati's Water and Sewer District attorney for utility matters (Bricker and Eckler, LLP) to provide industry expertise in reviewing Duke Energy Ohio's proposal and impact on City's project energy costs.

Oregon Public Utilities Commission (OPUC)

Docket No. UP205 *Examination of NW Natural's Rate Base and Affiliated Interests Issues*
Co-sponsored between NW Natural, Staff, Northwest Industrial Gas Users, Citizens Utility Board, August 2005-January 2006
Project Manager. Led a team that conducted a management audit of NW Natural Gas that included an evaluation of rate base issues for Financial Instruments (gas and financial hedging) Deferred Taxes, Tax Credits, Cost for a Distribution System, Security Issuance Costs and AFUDC calculations as well as Affiliate Transactions for Cost Allocations and Transfer Pricing, Labor Loading, Segregation of Regulated Rate Base and Subsidiary Investments and Properties, and validation of tax paid from / to affiliates are proper. Audit was to ensure Company compliance with orders, rules and regulations of the OPUC, with Company policy and with Generally Accepted Accounting Principles.

Utah Division of Public Utilities

Docket No. 09-035-23 *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, June-December 2009*
Project Manager and testifying witness. Verified the reasonableness of the revenue requirements as provided by the company in its application and testified before the Public Service Commission of Utah.

Docket No. 09-035-15 *In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism - Net Power Cost Evaluation (NPC), Rocky Mountain Power (RMP) 2009 General Rate Case, July-December 2009*
Project Manager and testifying witness. Analyzed the reasonableness and technical accuracy of the RMP's NPC request, performed a comprehensive review of the Company's NPC estimate and developed recommendations to ensure an accurate baseline for the ECAM, analyzed special issues addressed in the NPC portion of the case, analyzed the Company's fuel price hedging policies and provided recommendations appropriate for the ECAM, and reviewed intervenor NPC issues as well as analyzing additional issues as raised by the Company and testified to hedging issues.

Before the Washington Utilities and Transportation Commission

Independent Third-Party Evaluation of Puget Sound Energy's (PSE) Conservation Incentive Mechanism (ECIM) under the co-direction of PSE and the Washington Utilities and Transportation Commission staff, Phase I: July-October 2009; Phase II: October 2009-September 2010
Project Manager: Assess the extent to which the design and implementation of the incentive mechanism addressed key issues and objectives required by the Commission: accuracy of implementation in calculations of incentives or penalties, compliance with the conditions and requirements of the pilot program, proper use of the calculation methodology, and which assumptions or methods were used to calculate and verify the savings report.

Before the Public Utilities Commission of the State of Colorado (PUC)

Docket No. 04A-050E *Review of the Electric Commodity Trading Operations of Public Service Company of Colorado*

On behalf of the PUC Staff, March 2004-September 2004

Project Manager. Focused operational audit within the bounds of a litigated proceeding to determine if ratepayers were subsidizing or negatively impacted by PSCo's energy trading function.

South Carolina State Senator

Advised Senator on regulatory process for requesting States Public Service Commission for a comprehensive review of Duke Power Company's storm and restoration and right of way management. Reviewed and advised Senator of results of report finding.

Before the Missouri Public Service Commission

Consultant to Ameren UE. Conducted revenue requirement analysis in preparation of Missouri Public Service Commission compliance filing to un-bundle utility's rate tariffs. Prepared the filing requirements and all support schedules analysis to justify allocations of generation, transmission and distribution.

Southern Connecticut Gas

Consultant. As part of a team that conducted a comprehensive management audit of the management and operations of the Company, completed the capital budgeting area of the audit.

Before the New York Public Service Commission

Case: 94-C-0657

Commission Staff. Proceeding to evaluate the compliance of NYNEX with Commission rules and orders related to operational support system costs to competitors. Part of staff panel to facilitate discussion between company and potential competitors (i.e., users of operational support systems) and report back to Commission.

Focused review of the preparedness of RG&E and ConEd for competition in the electric industry. Evaluated all aspects of the company's management actions to prepare for competition including strategic planning, goals and objectives and senior management's attention to the company operations in a de-regulated industry.

Case: 97-M-0567

Commission Staff. Litigated proceeding to determine the benefits of a proposed merger of LILCO / Brooklyn Union Gas. Analyzed the proposed synergy savings.

Case: 96-E-0132 *Show Cause Proceeding Regarding Rate Relief for Ratepayers of Long Island Lighting Company*

Commission Staff and Testifying Witness. Litigated proceeding where Staff proffered testimony containing a benchmark study showing that Long Island Lighting Company's operations and maintenance expenses were excessive compared to a peer group of 24 utilities. Panel testimony concerning the findings and conclusions resulting from the benchmark study.

Case: 96-M-0858 *Prudence Investigation into the Scrap Handling Practices in the Western Division of Niagara Mohawk Power Company*

Commission Staff and Testifying Witness. Litigated proceeding as a result of allegations of bribery and corruption in company practices related to a specific vendor who purchased company scrap metal. Lead team of 10 staff examiners to quantify the extent to which the Company paid excessive rates to this vendor. Testified to the findings of the analysis. Case settled with ratepayers receiving a credit to bills.

Case: 91-C-0613 *Operational Audit of the Outside Plant Construction and Rehabilitation Program of New York Telephone Company*

Commission Staff. Comprehensive operational audit of the company's management and implementation of a \$150 million capital program to rehabilitate the outside plant distribution network. Served as Staff Examiner responsible for crew supervision, goals monitoring, contractor oversight, and report preparation.

Case: 91-W-0583 *Prudence Proceeding Regarding the Operations and Management of Jamaica Water*

Commission Staff and Testifying Witness. Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive costs to rate payers. Testified on a Staff panel to the excessive costs associated with management's inattention to sound business practices related to the design, purchase and installation of the Company customer information system.

Case: 92-W-0030 *Operational Audit of Jamaica Water Company Operations and Management*

Commission Staff. Comprehensive management audit of company operations. Responsible for work plan development, and specific topics areas including engineering, contracting, and information technology. Findings led to prudence proceeding.

Case: 92-M-0973 *Management Audit of Rochester Gas and Electric*

Commission Staff. Comprehensive management audit of company operations. Responsible for work plan development, supervision of staff and specific topics areas including purchasing and internal controls.

Case: 93-E-0918 *Operational Audit of the Demand Side Management Function at Rochester Gas and Electric*

Commission Staff. Comprehensive operational audit of the demand side management function including program planning, management and energy savings verification. Developed and supervised the implementation of the work plan.

Case: 88005 *Operational Audit of the Materials and Supply Function at National Fuel Gas*

Commission Staff. Comprehensive operational audit of the materials and supplies function including warehouse operations, inventory control and procurement. Developed and implemented the work plan for this project.

Operational Audit of the Fuel Procurement and Contracting of Long Island Lighting Company

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project.

Operational Audit of the Fuel Procurement and Contracting of Consolidated Edison Company of New York

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project.

Case: 90007 Operational Audit of the Fuel Procurement and Contracting of Central Hudson Gas and Electric

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project.

Operational Audit of the Fuel Procurement and Contracting of Orange and Rockland Utilities

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Provided research and data evaluation expertise to the project.

Operational Audit of the Fuel Procurement and Contracting of Rochester Gas and Electric

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on nuclear fuel. Provided research and data evaluation expertise to the project.

Case: 98-E-115 Prudence Proceeding to Investigate the Construction Costs Associated with the Homer City Coal Cleaning Plant

Commission Staff and Testifying Witness. Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive construction charges related to the Homer City Coal Cleaning Plant. Testified on a Staff panel to the fuel price differential costs resulting from the failure of the coal cleaning plant to function as designed as well as surrebuttal testimony on the cost of a flu-gas de-sulfurization plant and ancillary equipment and facilities. Case settled with customers receiving \$125 million credit.

Case: 87003 Operational Audit of the Homer City Coal Cleaning Plant

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on the construction of the Homer City Coal Cleaning Plant jointly owned by NYSEG and Penelec. Responsible for fuel and construction costs analysis, benchmarking costs and alternative methods for meeting EPA Clean air restrictions, contracting practices and report preparation.

Case: 87003 Operational Audit of the Fuel Procurement and Contracting of New York State Electric and Gas

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Responsible for fuel cost analysis, benchmarking costs, contracting practices and report preparation.

Case: 86007 Operational Audit of the Field Crew Supervision and Utilization of New York State Electric and Gas Company

Commission Staff. Comprehensive operational audit to determine effectiveness of field crew utilization and supervision. Staff examiner responsible for verifying supervisor activities, reporting, goals attainment and report preparation.

Case: 86005 Prudence Proceeding to Investigate the Fuel Procurement and Contracting Practices at Niagara Mohawk Power Company

Commission Staff. Litigated proceeding as a result of audit to determine extent to which management inattention and inappropriate practices resulted in excessive fuel charges to

customers. Responsible for fuel cost analysis and benchmarking costs, contracting practices and testimony preparation. Case settled with customers receiving \$66 million credit.

Case: 86005 *Operational Audit of the Fuel Procurement and Contracting of Niagara Mohawk Power Company.*

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on non-nuclear fuel. Responsible for fuel cost analysis and benchmarking costs, contracting practices and report preparation.

Case: 85001 *Operational Audit of the Research and Development Function of Consolidated Edison Company of New York*

Commission Staff. Comprehensive operational audit to determine effectiveness of ratepayer funds spent on R&D activities. Staff examiner on the project responsible for reviewing projects documentation and control, outside contracting a report preparation.

Donna H. Mullinax, CPA, CIA, CFP
Assistant Project Manager, Lead Consultant, and Expert Witness

Summary

Mrs. Mullinax has over thirty-one years of financial, management and consulting experience. She has held the position of Vice President and Chief Financial Officer for the last 14 years and served on various Boards of Directors. She has extensive experience in project management; regulatory and litigation support; financial, administration, and human resource management; financial and management audits; financial analysis; and systems implementation.

Project Management

Her ability to handle and resolve various viewpoints and establish and maintain effective working relationships has resulted in her assignment to manage numerous cross-functional teams. She has been project manager or assistant project manager with the responsibility of controlling cost, schedule and scope for most of the projects that she has been involved. These projects included management, financial, and compliance audits, M&A due diligence reviews, economic viability studies, prudence reviews, and litigation/regulatory support for construction claims and regulatory proceedings.

Regulatory and Litigation Support

She has presented or supported civil or regulatory testimony in Colorado, Connecticut, Delaware, Illinois, Maryland, Michigan, New York, North Carolina, South Carolina, Utah, and Texas. She has also served as an advisor to public service commissioners in the District of Columbia and Connecticut. In addition to providing analytical support, she has served as an expert witness and routinely works with other highly specialized expert witnesses. She has developed defensible analyses and testimony in connection with rate cases, audit findings, and other regulatory issues. She has also supported various civil litigations including delay and disruption construction claims and financial fraud. She has supported counsel with interrogatories, depositions, and hearings/trials support.

Financial, Administration, and Human Resource Management

As Chief Financial Officer and Vice President she is responsible for all aspects of financial, administration and human resources. Her responsibilities include accounting, cash management, tax planning and preparation, fixed assets, human resources and benefits. Records under her control have been subject to an IRS compliance audit with no findings.

Financial and Management Auditing

She is a skilled financial and management auditor. She has performed financial and compliance audits for county governments, utilities, and non-public businesses. She served as project manager for numerous due diligence reviews in connection with various mergers and/or acquisitions. She has reviewed financial information and budget projections, performed risk identification and industry benchmarking. Her extensive professional experience allows her to effectively analyze and evaluate methods and procedures and to thoroughly document her findings. She has successfully testified to her audit findings.

Financial Analysis

Mrs. Mullinax has excellent analytical capabilities. She is a skilled financial analyst and routinely develops dynamic, integrated spreadsheets models for use in her assignments. She understands that complex models mean nothing if they cannot be effectively communicated. She has proven ability to distill large amounts of information into a clear and concise written document.

System Implementation

Mrs. Mullinax has worked with various business and local governmental entities to design and implement accounting and business systems that addressed real world problems and concerns. She has developed accounting policy and procedure manuals for county governments, a library, and a water utility.

Education

Clemson University, B.S. in Administrative Management with honors – 1978
Clemson University, M.S. in Management – 1979
College for Financial Planning – 1994
NARUC Utility Rate School – 32nd Annual Eastern
Continuing education required for CPA license and CIA and CFP certificates

Professional Certification

Certified Public Accountant (CPA), State of South Carolina – 1993
Certified Financial Planner (CFP) – 1994
Certified Internal Auditor (CIA) – 2006

Professional Affiliations

Member of the American Institute of Certified Public Accountants (AICPA)
Member of the South Carolina Association of Certified Public Accountants (SCACPA)
Member of the Institute of Internal Auditors (IIA)
Member of the Western Carolinas Chapter of the Institute of Internal Auditors (WCIIA)

Regulatory Experience

Before the Public Utilities Commission of the State of Colorado

Docket No. 04A-050E *Review of the Electric Commodity Trading Operations of Public Service Company of Colorado*

On behalf of the PUC Staff, March-September 2004

Expert Witness and Assistant Project Manager – performed a transaction audit of PSCO's electric commodity trading operations and submitted testimony describing the process used to conduct the investigation, a summary of the audit findings, and discussion on the significance of the findings

Before the Connecticut Department of Public Utility Control

Docket 10-02-13 *Application of Aquarion Water Company to Amend its Rate Schedules*

On behalf of the CTDPU, April-August 2010

Senior Technical Consultant and Assistant Project Manager – reviewed the expense component of the company's revenue requirement and recommended adjustments for Staff consideration

Docket 07-07-01 *Diagnostic Management Audit of Connecticut Light and Power Company*

On behalf of the Staff of the CTDPU, July 2008-June 2009

Lead Auditor and Assistant Project Manager – performed an in-depth investigation and assessment of the company's business processes, procedures, and policies relating to the

management operations and system of internal controls of the company's executive management, system operations, financial operations, marketing operations, human resources, customer service, external relations, and support services. In addition, supported an in-depth review of the development and implementation process of the company's new customer information system

Before the Delaware Public Service Commission

Docket No. 09-414 *On behalf of the Staff of the Delaware Public Service Commission in the Matter of the Application Delmarva Power & Light Company for Approval of Modifications to its Electric Base Rates*

On behalf of the Staff of the DEPSC, September 2009-May 2010

Expert witness and Assistant Project Manager – analyzed the company's rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements

Docket No. 06-284 *On behalf of the Staff of the Delaware Public Service Commission in the matter of Delmarva Power and Light Company's Request for an Increase in Gas Base Rates,*

On behalf of the Staff of the DEPSC, October 2006-March 2007

Senior Technical Consultant and Assistant Project Manager – analyzed the Company's filings, checked the mathematical accuracy of the Company's revenue requirements calculations, and provided analytical support to testifying witness

Before the District of Columbia Public Service Commission

Formal Case No. 1076 *In the Matter of the Application of the Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service.*

On Behalf of the Commissioners and Staff of the DCPSC, July-December 2009

Senior Technical Consultant and Assistant Project Manager – advised Commissioners and the Staff of the Office of Technical and Regulatory Analysis regarding the company's proposed revenue requirements and rate base – developed revenue requirement model used during Commission deliberations to analyze the impact of various adjustment – supported the Commissioners legal team in the drafting of the final order and addressing motions for reconsideration.

Formal Case No. 1053 *In the Matter of the Application of Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Services*

On Behalf of the Commissioners and Staff of the DCPSC, February 2007-June 2008

Senior Technical Consultant and Assistant Project Manager – advised Commissioners and the Staff of the Office of Technical and Regulatory Analysis regarding the company's proposed revenue requirements and rate base – developed revenue requirement model used during Commission deliberations to analyze the impact of various adjustment – supported the Commissioners legal team in the drafting of the final order and addressing motions for reconsideration.

Formal Case No. 1032 *In the Matter of the Investigation into Potomac Electric Power Company's Distribution Service Rates*

On Behalf of the Commissioners and Staff of the DCPSC, January-March 2005

Senior Technical Consultant and Assistant Project Manager – review and evaluation of company's compliance filings for class cost of service and revenue requirements for distribution service pursuant to a settlement approved in May 2002. Provided analysis and recommended adjustments to Staff. Proceeding was settled in anticipation of a full rate case for rates to be effective August 8, 2007.

Formal Case No. 1016 *In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, for Authority to Increase Existing Rates and Charges for Gas Service*

On Behalf of the Commissioners and Staff of the DCPSC, June-December 2003

Senior Technical Consultant and Project Manager – review and evaluation of company's depreciation study filed with the Commission.

Senior Technical Consultant and Assistant Project Manager – analyzed and recommended adjustments regarding the company's proposed increase to base rates – advised the Commission on party positions during deliberations

Before the Hawaii Public Utilities Commission

Docket No. 05-0075 *Instituting a Proceeding to Investigate Kauai Island Utility Cooperative's Proposed Revised Integrated Resource Planning and Demand Side Management Framework*

On behalf of the Staff of the HPUC, June-November 2005

Senior Technical Consultant and Assistant Project Manager – conducted and reported on the results of an industry survey of other cooperatives and Commissions to obtain an overview of how other entities approach the specific issues identified within this docket

Before the Illinois Commerce Commission

Case No. 05-0597 *On behalf of the Illinois Citizens Utility Board, Cook County State Attorney's Office and City of Chicago*, November 2005-May 2006

Senior Technical Consultant and Assistant Project Manager – analyzed the Company's filings, checked the mathematical accuracy of the Company's revenue requirements calculations, and provided analytical support to testifying witness

Before the Maryland Public Service Commission

Case No. 9092 *In The Matter of the Application of Potomac Electric Power Company for Authority to Revise Its Rates and Charges for Electric Service and for Certain Rate Design Changes*

On behalf of the Staff of the MDPSC, December 2006-June 2007

Expert witness and Assistant Project Manager – analyzed the company's rate increase filings and provided direct and rebuttal testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements

Case No. 9062 *In the Matter of the Application of Chesapeake Utilities Corporation for Authority to Increase its Existing Natural Gas Rates and Services*

On Behalf of the Maryland Office of People's Counsel, May 2006-August 2006

Expert witness and Assistant Project Manager – analyzed the company's rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements – participated in settlement negotiations that were ultimately accepted by all parties

Before the Massachusetts Department of Public Utilities

Case No. D.P.U. 08-110 *On behalf of the Massachusetts Department of Public Utilities regarding the Petition and Complaint of the Massachusetts Attorney General for an Audit of New England Gas Company*

Retained by the New England Gas Company, February-August 2010

Senior Technical Consultant and Assistant Project Manager – conducted a management audit on how the Company manages its accounting and financial reporting functions and whether sufficient controls are in place to ensure that the information included in the company's filings

can be reasonably relied upon for setting rates – areas reviewed included general accounting, financial reporting, and internal controls; plant accounting; income tax; accounts receivable; accounts payable; cash management; payroll; cost allocations; and capital structure

Before the Michigan Public Service Commission

Case No. U-15506 *In the matter of the Application of Consumers Energy Company for Authority to Increase its Rates for the Distribution of Natural Gas and for Other Relief*

On behalf of the Michigan Attorney General, May-November 2008

Expert witness and Assistant Project Manager – analyzed the company's rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements – proceeding was settled through negotiations.

Case No U-15244 *In the Matter of the Application of Detroit Edison for Authority to Increase its Electric Base Rates*

On behalf of the Michigan Attorney General, September 2007-October 2008

Senior Technical Consultant and Assistant Project Manager – analyzed the Company's filings, checked the mathematical accuracy of the Company's revenue requirements calculations, and provided analytical support to testifying witness.

Case No. U-15245 *In the Matter of the Application of Consumers Energy Company for Authority to Increase its Rates for the Generation and Distribution of Electricity and for Other Relief*

On behalf of the Michigan Attorney General, July 2007-April 2008

Senior Technical Consultant and Assistant Project Manager – analyzed the Company's filings, checked the mathematical accuracy of the Company's revenue requirements calculations, and provided analytical support to testifying witness.

Case No. U-14547 *In the matter of the Application of Consumer Energy Company for Authority to Increase Rates for the Distribution of Natural Gas and for Other Relief*

On Behalf of the Michigan Attorney General, December 2005-April 2006

Expert witness and Assistant Project Manager – analyzed the company's rate increase filings and provided testimony offering adjustments for the Commission consideration related to the rate base and revenue requirements.

Before the Public Utilities Commission of Ohio

On behalf of the Staff of the PUCO

- Case # 08-0072-GA-AIR *Columbia Gas of Ohio for an increase in gas rates*, April-August 2008
- Case # 07-0829-GA-AIR *Dominion East Ohio for an increase in gas rates*, November 2007-July 2008
- Case # 07-0589-GA-AIR *Duke Energy Ohio for an increase in gas rates*. November 2007-February 2008

Auditor, Section Lead, and Assistant Project Manager – lead auditor in a comprehensive rate case audit of company's gas rate filing to validate the companies' filings, provide conclusions and recommendations concerning the reliability of the information, and support Staff in its evaluation of the reasonableness of the filing.

Before the Oregon Public Utilities Commission

Docket No. UP 205 *Examination of NW Natural's Rate Base and Affiliated Interests Issues*

Co-sponsored between NW Natural, OPUC Staff, Northwest Industrial Gas Users, Citizens Utility Board, August 2005-January 2006

Lead Auditor and Assistant Project Manager – examined NW Natural's Financial Instruments, Deferred Taxes, Tax Credits, and Security Issuance Costs to ensure Company compliance with orders, rules, and regulations of the OPUC and with Company policies.

Before the Public Service Commission of Utah

Docket No. 09-035-23 *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations*, June-December 2009

On behalf of PSCU Staff, June-February 2010

Senior Technical Consultant and Assistant Project Manager – analyzed the Company's revenue requirement filings and provided analytical support to testifying witness.

Before the New York Public Service Commission

Case No. 00-E-0612 *Proceeding on Motion of the Commission to Investigate the Forced Outage at Consolidated Edison Company of New York, Inc.'s Indian Point No. 2 Nuclear Generation Facility*

On behalf of Consolidated Edison Company of New York, Inc., October 2000-September 2003

Project Manager supervising cross functional teams to assist scheduling and nuclear engineering experts with responses to interrogatories and the development of three comprehensive rebuttal testimonies on the prudence of extended outages at the Indian Point 2 nuclear power plant. The proceeding settled prior to filing of testimony.

Civil Dispute Experience

ADF Construction vs. Kismet

On Behalf of ADF Construction, December 2003-February 2004

Assistant Project Manager for a delay and disruption construction claim related to a large hotel complex in North Carolina – worked with scheduling experts to determine schedule delay and disruption and calculated related damages.

New Carolina Construction vs. Atlantic Coast

New Carolina Construction vs. Acousti

On behalf of New Carolina Construction, July 2002-January 2003

Project Manager for a delay and disruption claim related to construction of a large high school complex in South Carolina – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Claim was settled out of court.

State of Nevada Bureau of Consumer Protection

September-December 2003

Assistant Project Manager for damage assessment project related to potential litigation regarding the Western Market Manipulation.

Oakwood Homes

On behalf of Oakwood Homes, February 1999-May 2000

Assistant Project Manager for a delay and disruption claim related to the construction of a large manufacturing facility in Texas – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Dispute was settlement through mediation.

McMillan Carter

On behalf of McMillan Carter, June-September 2002

Project Manager for a delay and disruption claim related to construction of a large high school complex in North Carolina – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Claim was settled out of court.

Fluor Daniel Inc. vs. Solutia, Inc.

On behalf of Fluor Daniel, May 2000-August 2001

Assistant Project Manager for a delay and disruption construction claim related to large chemical processing facility in Texas – worked with scheduling experts to determine schedule delay and disruption and calculated related damages. Dispute proceeded through mediation.

First National Bank of South Carolina vs. Pappas

On Behalf of First National Bank of South Carolina, 1991-1992

Civil litigation, deposed during pre-trial discovery on analytical findings related to check kiting and fraudulent loan applications. Supported counsel and expert witnesses during civil proceeding.

First Union vs. Pappas

On Behalf of First Union, 1991-1992

Civil litigation, deposed during pre-trial discovery on analytical findings related to check kiting and fraudulent loan applications. Dispute was settled out of court.

**Howard Solganick, P. E.
Senior Technical Consultant and Expert Witness**

Summary

Howard Solganick has been actively engaged in the utility industry for over 35 years. His experience spans consulting engagements, business development and significant utility operating positions. As a Principal at Energy Tactics & Services, Inc. he is responsible for business development, engagement management, and execution. He has led and/or participated in consulting projects to develop, design, optimize and implement both traditional utility operations and e-commerce businesses. Mr. Solganick has structured operating elements and business ventures, negotiated high value medium and long-term contracts, and implemented business systems, operating functions and profit centers. He has assisted new entrants to develop products and services for introduction to the utility and energy marketplace. He has also acted as an expert witness and arbitrator in a number of utility and regulatory areas and has extensive experience in regulatory relations.

Key Areas of Expertise

- Operating responsibility and expert testimony in utility planning and operations including rate design and cost of service, tariff administration, generation, transmission, distribution and customer service operations, capacity and system planning, and regulatory issues
- Operational reviews and expert testimony for outage management and preparation, customer communications, material and support logistics, restoration effectiveness and associated costs
- Pre-audit counseling, management audit planning and implementation and post audit tracking and regulatory relations
- Management consulting for utilities, energy trading and production companies, contact (call) center providers, financial institutions, manufacturers, software providers and retailers
- Regulatory relations and management for high profile situations – transmission line siting and approvals, power plant siting and certificate of need processes and potential mass outages
- Arbitration and mediation for high dollar value energy dispute resolution

Rates & Regulatory

As a consultant for a Southwestern electric utility impacted by a major hurricane that affected over 90% of the utility's customers, provided a reasonableness opinion covering the utility's emergency response plan and restoration operations, which was derived from a full operational audit.

As a consultant for a New England Public Utilities Commission performed regulatory audits of an electric utility and a focused audit of a new customer service and billing installation. Covered system operations, engineering, capital budgeting, construction management, demand side management programs, marketing and community relations.

As a consultant for a Midwestern Public Utilities Commission performed regulatory audits related to a filed rate case for three investor owned gas utilities. Covered load and revenue forecasting, capital budgeting and construction management.

As a consultant for a Caribbean utility examined the utility's performance and costs and provided expert testimony for a regulatory appeal of the costs and rate recovery involved under a performance based ratemaking environment.

As an electric utility's special projects manager created the utility's process for responding to the state's first legislatively mandated management audit. Developed a series of processes to coordinate, track, document, and respond to sensitive issues on an expedited basis. Coordinated the pre-audit process throughout the utility.

For an electric utility developed and justified the conversion of emergency operations from a decentralized to a centralized model that funded a company-wide digital communications system entirely from operating savings and efficiency.

For a major municipal gas utility assisted senior and operating management to prepare for a mandated management audit. Provided interview training and other support.

As an operating manager for a Eastern utility obtained regulatory approvals for a 230 kV transmission line and three major substations during a period of high public concern over EMF.

As a utility's operational planner coordinated and had significant impact on load forecasting, demand side management, customer generation and its application to utility operations, utility owned and independent generation, transmission and distribution planning, and customer service performance levels. Consulted and provided expert testimony on these interrelated areas.

As a consultant to the Commissioners and Staff of the Public Service Commission provided analysis, and support covering cost of service, revenue allocation, rate design, the impact of a revenue decoupling mechanism, and considerations needed when equalizing rate of return between classes and other issues for an electric utility.

As a consultant to the Staff of the Public Service Commission of an Eastern state provided analysis, rate case testimony and settlement negotiation support covering cost of service, revenue allocation, rate design, the impact of a revenue decoupling mechanism, and considerations needed when equalizing rate of return between classes and other issues for a gas utility.

As a consultant to the People's Counsel of an Eastern state provided analysis, rate case testimony and settlement negotiation support covering cost of service, miscellaneous revenue, the impact on risk of revenue normalization, considerations needed when equalizing rate of return between classes and other issues for a gas utility.

As a consultant to the Office of Consumer Advocate of an Eastern state provided analysis, rate case testimony and settlement negotiation support covering cost of service, demand analysis, considerations needed when equalizing rate of return between classes and other issues for a water utility.

As a consultant to the Public Advocate of a New England state analyzed the economic impact and operational aspects of a cast iron gas main replacement program including the development of an economic model and participation in a technical conference proceeding.

As a consultant to the Attorney General of a Midwestern state provided analysis and testimony addressing the proposed sale of a utility owned cogeneration facility and the long term implications of the sale on customers.

As a consultant to the Attorney General of a Midwestern state provided analysis and rate case testimony covering cost of service modeling, considerations needed when equalizing rate of return between classes and other issues.

As regulatory manager for a New Jersey utility was responsible for regulatory liaison and rate design for all customer classes including cost of service and tariff design. Provided expert testimony on rate design, load research, economic impacts, and all PURPA issues.

As a consultant to the Staff of the Public Service Commission of an Eastern state provided analysis and support covering a sales adjustment for price elasticity and the impact of a revenue decoupling mechanism for an electric utility.

As a consultant to the Attorney General of a Midwestern state provided support in a Commission ordered collaborative addressing cost of service modeling and filing requirements.

As a utility's project manager led the filing of New Jersey's first Notice of Intent for a Certificate of Need for a combined cycle power plant. Working with the regulatory commission, the utility developed its filing as the commission was simultaneously developing its procedures and processes.

Energy Supply

For four years, performed a process review and developed and executed a procurement process for electric supply in a deregulated environment for a residential real estate holding company.

For a commercial real estate management company performed an evaluation of a distributed generation proposal including a site survey, cost benefit analysis and detailed operational and contract review.

For an independent power producer developed new projects and acquisitions, negotiated power purchase agreements, energy services agreements, fuel supply issues, site leases and analyzed project financial positions. Successfully negotiated one of the first competitively bid power sales agreements with a public power entity and obtained the first IRS private letter ruling for a tax-exempt independent power financing.

As operating manager for a New Jersey utility negotiated over 800 MW of power purchase agreements with an aggregate value of over \$9 billion, including developing significant dispatchability provisions. Obtained required regulatory approvals in record time.

As an operating manager for a utility managed PJM Interconnection power purchase (interchange) pricing, performance testing of power plants and contract management of the company's unregulated cogeneration contract with the DuPont Company.

Working in conjunction with a major energy producer and refiner acted as project manager for a cogeneration facility study for a major refinery, which led to the construction of a 60 MW facility.

For a public power utility consortium examined forward looking marketing and financial plans, confirmed direction with the Board of Directors, assisted senior management to revise its strategic and operational plans and presented a recommendation for the future actions of the enterprise for consideration by the Board of Directors. Specific results included the revitalization

of the existing management team, the Board of Directors' adoption of that team's strategic plan with a commitment to move forward and the immediate authorization of bonuses for the management team for its efforts.

Arbitration

As the sole arbitrator, presided over an issue of energy price escalation with a value of over \$1,000,000 annually. The arbitration included case management, discovery, depositions, extensive document exchange, six witnesses and a full briefing process. As defined in the parties' initial power purchase agreement, the arbitrator had to render a fully detailed decision in order for the parties to continue their business relationship for the eight years remaining under the agreement.

As chairman of a panel of three arbitrators, was instrumental in the parties resolving a landlord tenant dispute over electrical sub-metering. The amount in question exceeded \$750,000.

Operations and Customer Service

As a consultant for a Northwestern electric utility performed an operational audit of the emergency restoration after a large windstorm that affected 70% of the utility's customers. Covered corporate, internal and external communications; materials management and support services; planning and training; customer service; service contract management; system operations and dispatch; and other operational areas.

As a consultant for a Midwestern electric utility performed an operational audit of the emergency restoration after three large storms affected most of the utility's customers. Covered corporate, internal and external communications; materials management and support services; planning and training; customer service; service contract management; system operations and dispatch; and other operational areas.

As a lead consultant for an Eastern electric utility supported a two-year effort to maintain and grow large key commercial and industrial accounts. Allied responsibilities included the development of business models, negotiating positions, operations and support services for field forces, and regulatory support. This project resulted in the long-term retention of a significant majority of the client's top 20 customers for periods of from five to twelve years.

For a million+ customer North American public power company managed (and acted as a subject matter expert) a call center performance review leading to a major consolidation of 28 sites into four physical call centers. A follow-on engagement developed the implementation plan covering emergency response issues, human resources, customer care, new infrastructure, and network integration.

On special assignment structured and performed distribution operations analyses including an evaluation of emergency operating and response capabilities.

As an emergency assignment, acted as special liaison between system operations and customer communications to avert significant customer disruptions due to a potential system failure.

Business Planning and Implementation

For two utility clients acted as project manager and subject matter expert on a joint client-consultant team comprised of 40 people. The engagement included customer management systems, contact (call) centers, new products and services, technology planning, and financial modeling of the venture. This project resulted in the creation of a new business entity for the energy industry.

For an energy conservation company assisted the internal staff in defining their business model, implementing their Internet based marketing and service delivery platform, defining the relationship with key allies, negotiating performance contracts and performing design reviews as needed. Key issues included a timely implementation plan.

Vendor Services

For the export development agency of a European government developed and presented a symposium on the North American utility industry and means and methods to approach and succeed in the marketplace.

For an Asian utility developed and presented a symposium on the valuation and acquisition of North American generation assets and means and methods to approach and succeed in the marketplace.

For a high technology transmission and distribution equipment supplier supported an effort to accelerate market acceptance of the product. Analyzed the technology, application and marketing approach. Results included an in-depth analysis of a key stumbling block inhibiting early entry into a key candidate utility.

For a major financial institution acted as project manager and subject matter expert to refine and implement a new inclusive consumer billing medium for energy retailers. The engagement included the definition of the value chain, regulatory impacts, and the development of a marketing strategy and marketing implementation plan.

For a major call center provider acted as the liaison with energy retailers seeking to outsource their call and contact center function. Also established business models, performance standards, fulfillment arrangements, pricing, emergency operating response and contractual arrangements.

Education

Master of Science--Engineering Management (minor Law)
Drexel University (evening program)

Bachelor of Science--Mechanical Engineering (minor Economics)
Carnegie Mellon University

Planning, Zoning and Land Use Courses—Rutgers University, PA Governor's Center for Local Government Services and Lorman Education Services

Arbitration and Mediation Training Courses—American Arbitration Association

Essentials of Emergency Preparedness—PA AWWA

Professional Credentials and Activities

Professional Engineer in Pennsylvania (inactive in New Jersey)

Chair Middletown Township (PA) Planning Commission
Past member of New Jersey Board of Regulatory Commissioners Advisory Council on Electricity Planning and Procurement
Commercial Arbitrator - American Arbitration Association
Past President of the Mid Atlantic Independent Power Producers, a trade organization
Past member of the Electric Power Research Institute's Planning Methods Committee
Professional Planner (Land Use) in New Jersey (inactive)
Chairman (past), Egg Harbor Township (NJ) and member (past), Raritan Township (NJ) Zoning Board of Adjustment
Author, Energy Pulse Article – Why Won't You Listen to the Actresses?

Testimony

Before the Public Utilities Commission of Ohio

- Case No. 07-551-EL-AIR

Before the Public Service Commission of Delaware

- Delmarva Power & Light Company - Docket No. 06-284
- Delmarva Power & Light Company - Docket No. 09-414

Before the Public Service Commission of Maryland

- Chesapeake Utilities Corporation Case No. 9062

Before the Pennsylvania Public Utilities Commission

- York Water Company - Docket No. R-00061322

Before the Michigan Public Service Commission

- Consumers Energy Company - Case No. U-14347
- Consumers Energy Company - Case No. U-15001
- Consumers Energy Company - Case No. U-15190
- Consumers Energy Company - Case No. U-15245

Before the Maine Public Utilities Commission

- Northern Utilities, accelerated cast iron replacement program - Docket No. 2005-813

Before the Maryland Public Service Commission

- Baltimore Gas & Electric's capacity procurement plans

Before the New Jersey Division of Administrative Law (at the request of the New Jersey Board of Public Utilities)

- Cogeneration and Alternate Energy - Docket # 8010-687
- PURPA Rate Design and Lifeline - Docket # 8010-687
- Atlantic Electric Rate Case - Phases I & II, Docket # 822-116
- Power Supply Contract Litigation – Wilmington Thermal Systems, Docket # 2755-89

Before the Commissioners of the New Jersey Board of Public Utilities

- NJBPU Atlantic Electric Rate Case - Phase II, Docket # 7911-951

For a Jamaican Electricity Appeals Tribunal

- In the matter of an Appeal by the Jamaica Public Service Company Limited from a Determination by the Office of Utilities regulation from the Z-factor Adjustment from Hurricane Ivan Recovery Costs Determination

Before the Public Utilities Commission of Texas

- Application of CenterPoint Energy Houston Electric LLC for Determination of Hurricane Restoration Costs - Docket No. 36918

Before the Missouri Public Service Commission

- AmerenUE Storm Adequacy Review (July 2008, no docket listed)

S. Keith Berry, Ph.D.
Senior Technical Consultant and Expert Witness

Summary

Dr. S. Keith Berry's professional and academic experience spans over thirty years. Expertise includes economic and financial management, cost of capital, return on equity, flotation cost allowance methodologies, debt analysis, stranded cost, deregulation, prudence reviews, economic viability studies, and auditing. He has testified approximately seventy times before the following agencies: Federal Energy Regulatory Commission, Oklahoma Corporation Commission, Securities and Exchange Commission, Maryland Public Service Commission, and Illinois Commerce Commission.

Commission

As the Director of Research and Policy Development for the Arkansas Public Service Commission, supervised six policy analysts.

Served as Manager of Rates and Finance Sections-Supervisor of six rate and financial analysts Arkansas Public Service Commission.

Testimony or Reports presented to Commissions or Agencies

Federal Energy Regulatory Commission, Docket No. ER10-55-000

Testimony concerning depreciation expense in bandwidth calculations for Entergy Operating Companies, October, 2010

Federal Energy Regulatory Commission, Docket No. EL09-1224-000

Testimony concerning bandwidth calculations for Entergy Operating Companies, January and February 2010

Connecticut Department of Public Utility Control

Participation in task force that performed a Management Audit of the Connecticut Light & Power Company, May 2009

Federal Energy Regulatory Commission, Docket No. ER09-636-000

Affidavit concerning Entergy Arkansas notice of intent to withdraw from the Entergy System Agreement, April 2009

Federal Energy Regulatory Commission, Docket No. EL08-51-000

Testimony concerning recovery of Spindletop regulatory asset in 2007 bandwidth remedy, February 2009

Federal Energy Regulatory Commission, Docket No. ER08-1056-000

Testimony concerning inclusion of certain Evangeline gas costs in bandwidth calculations for Entergy, January 2009

Federal Energy Regulatory Commission, Docket No. ER08-1056-000

Affidavit on 2007 bandwidth remedy on Entergy System, July 2008

Federal Energy Regulatory Commission, Docket No. ER07-956-000

Testimony concerning Entergy System Agreement bandwidth effects of imprudence and depreciation, February-March 2008

Maryland Public Service Commission, Case No. 9062

Testimony concerning the cost of capital of Chesapeake Utilities Corporation, August 2006

Federal Energy Regulatory Commission, Docket No. EL06-76-000

Affidavit in Complaint by APSC concerning production costs on the Entergy System, April 2006

Federal Energy Regulatory Commission, Docket No. ER03-583-000, et al

Testimony concerning purchased power agreements on Entergy System, November 2003

Federal Energy Regulatory Commission, Docket No. ER03-753-000

Testimony concerning unit power rate schedule on Entergy System, November 2003

Federal Energy Regulatory Commission, Docket No. EL01-88-000

Testimony opposing production cost equalization on the Entergy System, March 2003, April 2003, and July 2003

Securities and Exchange Commission, File No. 70-9785

Affidavit concerning issues associated with exempt wholesale generators for American Electric Power, September 2002

Federal Energy Regulatory Commission, Docket No. EL01-88-000

Affidavit opposing production cost equalization on the Entergy System, July 2001

Federal Energy Regulatory Commission, Docket Nos. EL00-66-000, et al.

Affidavit concerning production cost equalization on the Entergy System, May 2001

State of Arkansas General Assembly

Testimony concerning HB 1411 regarding funding of the White River Navigation Project, January 2001

Federal Energy Regulatory Commission, Docket Nos. EL00-66-000, et al

Testimony concerning modification of Entergy System Agreement to accommodate deregulation and interruptible rates, December 2000, January 2001, and February 2001

Federal Energy Regulatory Commission, Docket Nos. EL98-40-000, et al

Testimony concerning the merger of American Electric Power and Central and South West, May and June 1999

Federal Energy Regulatory Commission, Docket No. EC99-18-000

Affidavit concerning the proposed acquisition of Pilgrim Nuclear Unit by Entergy Corporation, January 1999

Securities and Exchange Commission, File No. 70-9049

Affidavit concerning financial risk of diversification of Entergy Corporation, October 1998

Arkansas Public Service Commission, Docket No. 98-081-TF

Testimony concerning off-peak rates, March 1998

“Report on the Cost of Equity of New York Power Authority,” December 1997.

State of Arkansas General Assembly

Economic Policy Analysis of Telecommunications Reform Act of 1997, January 1997

Securities and Exchange Commission, File No. 70-8725

Affidavit concerning financial risk of diversification of Southern Company, October 1996 and January 1997

Federal Energy Regulatory Commission, Docket No. ER95-53-000

Testimony concerning the equalization of nuclear decommissioning costs of Entergy, October 1996

Securities and Exchange Commission, File No. 70-8809

Affidavit concerning financial risk of diversification of Central and Southwest. May 1996

“Report on the Cost of Equity of New York Power Authority,” January 1996.

Federal Energy Regulatory Commission, Docket No. ER95-1042-000

Testimony concerning the cost of capital and nuclear decommissioning of System Energy Resources, October 1995

Federal Energy Regulatory Commission, Docket No. ER95-53-000

Affidavit concerning nuclear decommissioning cost equalization on the Entergy System, June 1995

“Report on the Development of Electric Utility and Railroad Comparable Samples for the Tax Division of the Arkansas Public Service Commission,” February 1995

Federal Energy Regulatory Commission, Docket No. EL94-13-000

Testimony concerning the merger of Entergy and Gulf States Utilities, October 1994

Arkansas Public Service Commission, Docket No. 94-355-U

Testimony concerning the cost of capital of Louisiana-Nevada Transit, October 1994

Oklahoma Corporation Commission, PUD 940000354

Testimony concerning the cost of capital of Arkansas Louisiana Gas Co., July 1994

Arkansas Public Service Commission, Docket No. 94-175-U

Testimony concerning the cost of capital of Arkansas Louisiana Gas Co., June 1994

Securities and Exchange Commission, File No. 70-8339

Affidavit concerning the merger of Central and Southwest and El Paso Electric, April 1994

Federal Energy Regulatory Commission, Docket Nos. EC94-7-000 and ER94-898-000

Testimony concerning the merger of Central and Southwest and El Paso Electric, February 1994

Arkansas Public Service Commission, Docket No. 93-081-U

Testimony concerning the cost of debt of Arkansas Louisiana Gas Co., October 1993

Federal Energy Regulatory Commission, Docket Nos. EC92-21-000 and ER92-806-00

Testimony concerning the merger of Entergy and Gulf States Utilities, March 1993

Federal Energy Regulatory Commission, Docket Nos. ER92-341-000, EL92-35-000, and EL92-36-000

Testimony concerning the cost of capital of System Energy Resources, December 1992

Securities and Exchange Commission, File No. 70-8059

Affidavit concerning the merger of Entergy and Gulf States Utilities, November 1992

Oklahoma Corporation Commission, PUD 0001317

Testimony concerning the cost of capital and a weather normalization adjustment clause for Arkansas Louisiana Gas Co., May 1992

Kansas Corporation Commission, Docket No. 181,200-U

Testimony concerning the cost of capital and a weather normalization adjustment clause for Arkansas Louisiana Gas Co., May 1992

Arkansas Public Service Commission, Docket No. 92-032-U

Testimony concerning a weather normalization adjustment clause for Arkansas Louisiana Gas Co., February 1992

Arkansas Public Service Commission, Docket No. 89-143-C

Testimony concerning franchise fee or tax on AT&T in the City of Little Rock, January 1992

Federal Energy Regulatory Commission, Docket No. EL90-48-000

Testimony concerning the spin-off of a coal unit on the Entergy System, January 1992

Arkansas State Banking Commission

Economic and Financial Report on the Feasibility of the Proposed First Community Bank, Conway, Arkansas (prepared by Economic & Financial Consulting Group, Inc.), May 1991

Arkansas Public Service Commission, Docket No. 90-133-U

Testimony concerning non-traffic sensitive costs on telephone systems, November 1990

Federal Energy Regulatory Commission, Docket Nos. ER89-678-000 and EL90-16-000

Testimony concerning the cost of capital and nuclear decommissioning of System Energy Resources, November 1990

Arkansas Public Service Commission, Docket No. 90-004-U

Testimony concerning the capital structure of Arkansas Western Gas Co., October 1990

Arkansas Public Service Commission, Docket No. 88-115-TF

Testimony concerning phase-in plan for Arkansas Power and Light Co., September 1988

Arkansas Public Service Commission, Docket No. 87-201-U

Testimony concerning the cost of capital of GTE Southwest, Inc., August 1988

Arkansas Public Service Commission, Docket No. 87-166-TF

Testimony concerning nuclear decommissioning trust fund of Arkansas Power and Light Co., January 1988

Arkansas Public Service Commission, Docket No. 87-070-U

Testimony concerning the cost of capital of Arkansas Louisiana Gas Co., September 1987

Arkansas Public Service Commission, Docket No. 87-071-U

Testimony concerning the cost of capital of Arkansas Energy Resources, August 1987

Federal Energy Regulatory Commission, Docket Nos. EL86-58-000 and EL86-59-000

Testimony concerning the cost of capital of System Energy Resources, Inc. and Middle South Services, March 1987

Arkansas Public Service Commission, Docket No. 87-028-U

Testimony concerning a preferred stock issuance by Arkla., March 1987

Arkansas Public Service Commission, Docket No. 84-165-U

Testimony concerning the cost of capital of Southwestern Bell, February 1987

Arkansas Public Service Commission, Docket No. 86-243-TF

Testimony concerning incentive rates for Arkansas Power and Light Co., January 1987

Securities and Exchange Commission, File No. 70-7299

Affidavit concerning a preferred stock issuance by System Energy Resources, December 1986

Arkansas Public Service Commission, Docket No. 86-175-TF

Testimony concerning incentive rates for Arkansas Power and Light Co., September 1986

Arkansas Public Service Commission, Docket No. 86-147-TF

Testimony concerning a tax adjustment rider for Arkansas Power and Light Co., August 1986

Arkansas Public Service Commission, Docket No. 86-112-TF

Testimony concerning seasonally differentiated rates of Arkansas Power and Light Co., June 1986

Arkansas Public Service Commission, Docket No. 86-090-U

Testimony concerning gas transportation policy, June 1986

Arkansas Public Service Commission, Docket No. 85-299-U

Testimony concerning cost allocations between customer classes on Arkansas Power and Light Co., February 1986

Arkansas Public Service Commission, Docket No. 84-249-U

Testimony concerning the cost of capital, incentive rates, and phase-in plan for Arkansas Power and Light Co., May 1985

Arkansas Public Service Commission, Docket No. 85-104-TF

Testimony concerning interruptible incentive rates for Arkansas Power and Light Co., May 1985

Arkansas Public Service Commission, Docket No. 85-043-U

Testimony concerning a rate freeze for Arkansas Louisiana Gas Co., February 1985

Arkansas Public Service Commission, Docket No. 84-084-U

Testimony concerning cost allocations and phase-in plan for Arkansas Electric Cooperative Corporation, September 1984

Arkansas Public Service Commission, Docket No. 84-199-U

Testimony concerning the cost of capital, rate design, and class cost allocations for Arkansas Power and Light Co., September 1984

Arkansas Public Service Commission, Docket No. F-007

Testimony concerning fuel and gas adjustment clauses, May 1984

Arkansas Public Service Commission, Docket No. 83-161-U

Testimony concerning the cost of capital and replacement cost pricing for Arkansas Louisiana Gas Co., March 1984

Arkansas Public Service Commission, Docket No. 83-253-U

Testimony concerning the cost of capital of AT&T, January 1984

Arkansas Public Service Commission, Docket No. 83-153-U

Testimony concerning the cost of capital of Allied Telephone Co., December 1983

Arkansas Public Service Commission, Docket No. 83-206-U

Testimony concerning a rate reduction for Arkansas Power and Light, December 1983

Arkansas Public Service Commission, Docket No. 83-045-U

Testimony concerning the cost of capital and customer stock purchase plan on Southwestern Bell, September 1983

Arkansas Public Service Commission, Docket No. 81-104-AP-2

Testimony concerning nuclear fuel negative salvage costs of Arkansas Power and Light Co., July 1983

Arkansas Public Service Commission, Docket No. 82-314-U

Testimony concerning the cost of capital and customer stock purchase plan on Arkansas Power and Light Co., April 1983

Federal Energy Regulatory Commission, RM-80-36-000

Comments concerning a generic rate of return, December 1982

Illinois Commerce Commission, Docket No. 82-0152

Testimony concerning the cost of capital of Illinois Power Co., July 1982

Arkansas Public Service Commission, Docket No. 81-260-U

Testimony concerning the rate of return of Arkansas Electric Cooperative Corporation. June 1982

Arkansas Public Service Commission, Docket No. 82-037-U

Testimony concerning the cost of capital for Southwestern Bell, May 1982

Arkansas Public Service Commission, Docket No. 81-349-U

Testimony concerning the cost of capital of Associated Natural Gas Co., April 1982

Arkansas Public Service Commission, Docket No. TD-80-06

Testimony concerning overall capitalization rate, November 1981

Arkansas Public Service Commission, Docket No. 81-161-U

Testimony concerning the cost of capital of Oklahoma Gas and Electric, October 1981

Arkansas Public Service Commission, Docket No. 81-144-U

Testimony concerning the cost of capital and nuclear decommissioning trust funds for Arkansas Power and Light Co., September 1981

Arkansas Public Service Commission, Docket No. U-3136

Testimony concerning the cost of capital of Southwestern Electric Power Co., April 1981

Arkansas Public Service Commission, Docket No. U-3117

Testimony concerning an econometric model for directory assistance for Southwestern Bell Co., April 1981

Arkansas Public Service Commission, Docket No. U-3071

Testimony concerning the rate of return and an econometric model of demand for Arkansas Electric Cooperative Corp., July 1980

Arkansas Public Service Commission, Docket No. U-3089

Testimony concerning the rate of return of North Arkansas Telephone Cooperative, July 1980

Arkansas Public Service Commission, Docket No. U-3096

Testimony concerning the cost of capital of United Telephone Co., March 1980

Arkansas Public Service Commission, Docket No. U-3052

Testimony concerning the cost of capital of Associated Natural Gas Co., March 1980

Arkansas Public Service Commission, Docket No. U-3036

Testimony concerning the cost of capital of United Telephone Co., November 1979

Collegiate Service

For Hendrix College served in various staff positions including; Professor, Chair, Assistant Professor, Associate Professor for the Departments of Economics and Business, as well Director for the Center for Entrepreneurial Studies.

Served as Assistant Professor of Economics and Business for Hendrix College and Instructor for Vanderbilt University.

As Chair for the Department of Economics and Business he led the Department in the development of an International Business Minor.

As Director for the Center for Entrepreneurial Studies, he obtained \$200,000 in external funding for the Center's start-up.

Served as Faculty Advisor, Phi Beta Lambda, the Collegiate Division of Future Business Leaders of America.

Served as a member of Faculty Committee that assisted in the writing of a \$3.9 million grant.

Education

Ph.D., Economics
Vanderbilt University, 1979

B.A., Mathematics
Hendrix College, 1973

Professional Certification

Wincott Visiting Research Fellowship
University of Buckingham, United Kingdom, Fall 1997

Earhart Fellowship (with Nicholas Georgescu-Roegen)
Vanderbilt University, 1975-1976

Graduate School Assistantship
Vanderbilt University, 1973-1976

Mosley Economics Award
Hendrix College, 1973

Hogan Math Award
Hendrix College, 1972

Alpha Chi (scholastic)
Hendrix College

Rensselaer Math and Science Award, 1968

Publications

"Sub-Optimal Generation Portfolio Variance with Rate of Return Regulation," *Technology and Investment*, 1, 2010, pp. 114-17.

"Firm Incentives for Invention Prizes With Multiple Winners," *Eastern Economic Journal*, forthcoming.

"Generation Search Costs and Ramsey Pricing in a Partially Deregulated Electric Utility Industry," *Journal of Economics and Business*, 54, 2002, pp. 331-343.

"Substitution Between Bundled and Unbundled Products After Deregulation in Electricity Generation," *Eastern Economic Journal*, 26, 2000, pp. 455-68.

"Stranded Costs, Access Charges, and Ramsey Pricing in the U.S. Electric Utility Industry," *The Quarterly Review of Economics and Finance*, 40, 2000, pp. 503-17.

"Excess Returns in Electric Utility Mergers During Transition to Competition," *Journal of Regulatory Economics*, 18, 2000, pp.175-88.

"Interest Rate Risk and Utility Risk Premia During 1982-93," *Managerial and Decision Economics*, 19, 1998, pp. 127-35.

"Asymmetric Demand Information in Regulation," *Studies in Economics and Finance*, 18, 1998, pp. 129-41.

"Utility Mergers and the Cost of Capital," *Journal of Financial and Strategic Decisions*, 11, 1998, pp.73-82.

"Interest Rate Risk and Utility Bond and Dividend Yields," *Advances in Investment Analysis and Portfolio Management*, Volume III, 1995, pp. 183-191.

"Rent-Seeking With Multiple Winners," *Public Choice*, 8, 1993, pp. 437-43.

"A Risk-Adjusted Approach for Assessing Factors that Determine Utilities' Allowed Returns on Equity," (with Timothy Mason), *The Review of Industrial Organization*, 8, 1993, pp. 113-23.

"Ramsey Pricing in the Presence of Risk," *Managerial and Decision Economics*, March-April, 1992, pp. 111-17.

"The Impact of Consumers on the Dissipation of Rents," *Eastern Economic Journal*, July-September 1991, pp. 345-49.

"Expected Rate Minimization and Excess Capacity in Regulated Utilities," *The Quarterly Review of Economics and Business*, Volume 30, Number 3, Fall 1990, pp. 85-95.

"Flotation Cost Allowance Methodologies: A Synthesis Using Present Value Analysis," *The Financial Review*, Volume 25, Number 3, August 1990, pp.487-500.

"The Allocation of Risk Between Stockholders and Ratepayers in Regulated Utilities," *Land Economics*, Volume 64, Number 2, May 1988, pp. 114-24.

"Rate-of-Return Regulation and Demand Uncertainty with a Symmetric Regulatory Constraint," *The American Economist*, Fall 1987, pp. 8-12.

"The Relevance of Quasi Rationality in Competitive Markets: Comment," *American Economic Review*, Volume 77, Number 3, June 1987, pp. 496-8.

"The Ratepayer and Stockholder under Alternative Regulatory Policies: Comment," *Land Economics*, Volume 63, Number 2, May 1987, pp. 201-5.

"The Impact of Nuclear Power Plant Construction Activity on the Electric Utility Industry's Cost of Capital," (with Samuel Loudenslager), *The Energy Journal*, Volume 8, Number 2, April 1987, pp. 63-75.

"When is Excess Capacity Desirable?" *New Regulatory and Management Strategies in a Changing Market Environment*, Institute of Public Utilities, 1987, pp. 358-371.

"Random Pseudo-Disturbance Generators in a Stochastic Simulation of an Econometric Model,"(with Cliff Huang), *Journal of Statistical Computation and Simulation*, Vol.22, Nos. 3 and 4, pp. 285-302.

"The Quarterly Cost of Equity: Implications for Setting the Annual Return on Equity," *Electric Ratemaking*, Volume 2, Number 2, April/May 1983, pp.8-10.

Book Review of *Issues in Public-Utility Pricing and Regulation*, edited by Michael A. Crew, Lexington, Mass.: D.C. Heath & Co., 1980, in *Southern Economic Journal*, Volume 48, Number 4, April 1982, pp. 1112-3.

"The Discounted Cash Flow Formula: Validation and Estimation," *Proceedings of the Second NARUC Biennial Regulatory Information Conference*,

**Daniel W. Salter
Senior Consultant**

Summary

Over thirty years of professional experience in Project Management and Project Controls in the Energy and Engineering/Construction industries. Experience includes regulatory support in management and rate case audits, review of energy conservation programs and incentive mechanisms, and evaluation of power supply cost recovery applications. Other experience includes planning, scheduling, cost, and resource control of utility construction and operating projects, including operations, outages, modifications, and design engineering. Performed project management functions in nuclear plant decommissioning, power plant economic viability analysis, and performance assessment/forecasting. Evaluated the project management activity at construction and operating projects in litigation support.

Regulatory

Provided support in management audits, especially in areas of affiliate relations and support services. Provided support in rate base audits in the area of allocations and affiliate relationships and in rate base review. Provided support in energy conservation program and incentive mechanism review. Provided support and testimony in evaluating power supply cost recovery calculations. Has analytical expertise in creating and responding to interrogatories and data requests. Has supported development of testimony for submission to regulatory bodies and interveners. Has assisted in evaluation of complex revenue requirement models to verify and validate data for regulatory staff.

Nuclear

Performed as Project Manager for operational monitoring effort of US commercial nuclear plants. Provided forecast modeling, planned and forced outage evaluation, and assessment of plant management and regulatory interaction.

Provided support in due diligence reviews for several US commercial nuclear plants. Participated in the evaluation of management activities, equipment reliability and needs, financial strengths and weaknesses, regulatory conformance and relationships, operational risk analysis, and performance statistics. Provided background research, statistical organization, and final draft reporting for all phases of reviews.

Litigation

Participated in litigation support involving energy plant management contracts, construction contracts, and engineering contracts. Evaluated project management capability including scheduling, cost control, and resource management. Produced written and graphical reports used as exhibits in litigation.

Cost and Scheduling

Performed as Project Controls Engineer, responsible for Cost and Schedule research and system development for use in a variety of projects related to fields in planning; program and project management; economic decision modeling; technical audits, studies, and assessments; information management systems development and support; organizational and productivity enhancement studies, litigation support, and risk analysis.

Programming

Responsible for development and enhancement of programs written in COBOL and RPG II that provided accounting, inventory control, payroll, and other business related functions.

Responsible for development and correction of inventory and production computer programs and systems written in RPG II and COBOL for company plant operations.

Developed and implemented computer programs written in FORTRAN on a VAX 11/780 to facilitate outage efforts for nuclear power plant.

Developed several FORTRAN and COBOL computer programs for company planning efforts.

Education

Bob Jones University, B.S. in Accounting with Computer Science minor

Regulatory Experience

On behalf of the Connecticut Department of Public Utility Control

Docket 10-02-13 *Application of Aquarion Water Company to Amend its Rate Schedules*

On behalf of the Staff of the Connecticut Department of Public Utility, April 2010 – August 2010
Provided analytical support services and reviewed allocations issues.

Docket 07-07-01 *Management Audit of the Connecticut Light and Power Company*, July 2008-
June 2009

General Auditor. Assisted in analysis of a diagnostic management audit of Connecticut Light and Power Company. Primary goal of project was an in-depth investigation and assessment of the Company's business processes, procedures, and policies relating to the management operations and system of internal controls in place.

Before the Massachusetts Department of Public Utilities

Case No. D.P.U. 08-110 *On behalf of the Massachusetts Department of Public Utilities regarding the Petition and Complaint of the Massachusetts Attorney General for an Audit of New England Gas Company*, February 2010 – August 2010

Provided analytical support services and reviewed adjustments and allocations issues in the evaluation the accuracy of the accounting records, practices and procedures used in the development of New England Gas Company's revenue requirements calculations in the Company's base rate request.

On behalf of the Attorney General of the State of Michigan

Case No. U-16300 *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for authority to reconcile its renewable energy plan costs associated with the plan approved in Case No. U-15805*. November 2010-present

Senior Consultant. Reviewed the Company's Renewable Energy Plan Cost Reconciliation for 2009 to ensure the adherence to approved processes and reasonable and prudent costs. Supported testimony development as to significant concerns with respect to the transfer price for renewable energy resources proposed by the Company.

Case No. U-16356 *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for authority to reconcile its renewable energy plan costs associated with the plan approved in Case No. U-15806-RPS*. October 2010-present

Senior Consultant. Reviewed the Company's Renewable Energy Plan Cost Reconciliation for 2009 to ensure the Company's adherence to approved processes and reasonable and prudent costs.

Case No. U-15675-R *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for the reconciliation of power supply cost recovery costs and revenues for the calendar year 2009, October 2010-present*

Senior Consultant. Reviewed power supply cost recovery plan requirements and supported testimony development concerning transfer price, replacement power costs, and reasonableness of including excess fuel and variable O&M expenses proffered by various intervenors.

Case No. U-15677-R *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for reconciliation of its power supply cost recovery plan for the calendar year 2009, September 2010-present*

Senior Consultant. Reviewed power supply cost recovery reconciliation and supported testimony development with respect to the transfer price for renewable energy source flowing into the PSCR proposed by the Company.

Case No. U-16047 *On behalf of the Michigan Attorney General in the matter of the application of The Detroit Edison Company for authority to implement a Power Supply Cost Recovery Plan in its rate schedules for 2010 metered jurisdictional sales of electricity, January 2010-May 2010*

Senior Consultant. Reviewed gas cost recovery reconciliation and provided analysis of potential issues and developed recommendations including basis, past precedence, and/or industry expertise.

Case No U-15415-R *On behalf of the Michigan Attorney General in the matter of the application of Consumers Energy Company for the reconciliation of power supply cost recovery costs and revenues for the calendar year 2008 and for other relief related to pension and OPEB costs., May-November 2009*

Reviewed gas cost recovery reconciliation and provided analysis of potential issues and developed recommendations including basis, past precedence, and/or industry expertise.

Case No. U-15806/U-15890 *On behalf of the Michigan Attorney General in the matter of Detroit Edison's and Michigan Consolidated Gas Company's to comply with Public Acts 286 and 296 regarding their Renewable Energy Plan and Energy Optimization Plan, March-June 2009*

Reviewed the Energy Optimization Plans of both Detroit Edison and Michigan Consolidated Gas and provided analysis of issues and shortcomings concerning the plans in relation to the specifications of the Act and the benefit to customers.

Case No. U-15805/15889 *On behalf of the Michigan Attorney General in the matter of Consumers Energy Company to comply with Public Acts 286 and 295 regarding their Renewable Energy Plan and Energy Optimization Plan, March-June 2009*

Reviewed the Energy Optimization Plans of Consumers Energy Company and provided analysis of issues and shortcomings concerning the plans in relation to the specifications of the Act and the benefit to customers.

Case No. U-15677 *On behalf of the Michigan Attorney General in the matter of Detroit Edison's Application to Implement a Power Supply Cost Recovery Plan for 2009, January 2009-present*

Reviewed cost recovery plan requirements and provided analysis and testimony concerning prior year under-recovery, Nuclear Fuel Expense, System Power Supply Costs, and Generation Output.

Case No U-15415 *On behalf of the Michigan Attorney General in Gas Cost Recovery 2008 Plan proceeding, January-March 2008*

Reviewed power supply cost recovery plan requirements and provided analysis of issues concerning System Power Supply Costs, Transmission Expenses, Electric Reliability Organization Expenses, NOx Allowance Costs, and Prior Years Under-recovery.

On behalf of the Public Utilities Commission of Ohio

Case No. 08-0072-GA-AIR *On behalf of the Staff of Ohio Public Utilities Commission in the matter of the Application of Columbia Gas of Ohio for an increase in Gas Rates, April-Aug. 2008*
Rate Base and General Auditor. Assisted in analysis of a comprehensive rate case audit of Columbia Gas of Ohio's gas rate filing. Primary goal of project was to validate information in filing, provide findings conclusions and recommendations concerning the reliability of information and data in the filing and support Staff in its evaluation of the reasonableness of the filing.

Case No. 07-0829-GA-AIR *On behalf of the Staff of Ohio Public Utilities Commission in the matter of the Application of Dominion East Ohio for an increase in Gas Rates, November 2007-July 2008*

Rate Base and General Auditor. Assisted in analysis of a comprehensive rate case audit of Dominion East Ohio's gas rate filing. Primary goal of project was to validate information in filing, provide findings conclusions and recommendations concerning the reliability of information and data in the filing and support Staff in its evaluation of the reasonableness of the filing.

Case No. 07-0589-GA-AIR *On behalf of the Staff of Ohio Public Utilities Commission in the matter of the Application of Duke Energy Ohio, Inc., for an increase in Gas Rates, November 2007-February 2008*

Rate Base and General Auditor. Assisted in analysis of a comprehensive rate case audit of Dominion East Ohio's gas rate filing. Primary goal of project was to validate information in filing, provide findings conclusions and recommendations concerning the reliability of information and data in the filing and support Staff in its evaluation of the reasonableness of the filing.

On behalf of the Oregon Public Utilities Commission

Docket No. UP205 *Examination of NW Natural's Rate Base and Affiliated Interests Issues, August 2005-January 2006*

Co-sponsored between NW Natural, Staff, Northwest Industrial Gas Users, Citizens Utility Board.

Auditor for the examination of NW Natural's Financial Instruments, Deferred Taxes, Tax Credits, and Security Issuance Costs to ensure Company compliance with orders, rules and regulations of the OPUC, with Company policy, and with Generally Accepted Accounting Principles.

Utah Division of Public Utilities

Docket No. 09-035-23 *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, June-December 2009*

Verified the reasonableness of the revenue requirements as provided by the company in its application.

Before the Washington Utilities and Transportation Commission

Independent Third-Party Evaluation of Puget Sound Energy's (PSE) Conservation Incentive Mechanism (ECIM) under the co-direction of PSE and the Washington Utilities and Transportation Commission staff Phase I: July-Oct 2009; Phase II: Oct 2009-Sept 2010.

Assess the extent to which the design and implementation of the incentive mechanism addressed key issues and objectives required by the Commission: accuracy of implementation in calculations of incentives or penalties, compliance with the conditions and requirements of the pilot program, proper use of the calculation methodology, and which assumptions or methods were used to calculate and verify the savings report.

Project Controls Experience

V.C. Summer Nuclear Plant. Responsible for the design and implementation of the Design Engineering scheduling program including the database, coding structures, resource library, custom reports/graphics, and schedule update. Assisted in the integration of the budget/cost data with the scheduling database. Interfaced with site engineers and contract organizations in building and maintaining the schedule. Provided oral and written reports to all levels of plant management including Design Engineering Manager, General Managers, and SCE&G Vice President of Nuclear Operations.

Georgia Power's Vogtle Nuclear Plant. Developed resource constrained networks for outage schedules using the PROJECT/2 scheduling system. Participated in the development, planning, and reporting of network activities and logic. Developed and produced reports and plotted bar chart schedules using the P/2 plotter software and graphic report writer. Provided training, both one-on-one and classroom, on PROJECT/2 usage, resource constraining, and report generation.

TVA's Colbert Steam Plant. Team coordinator responsible for the creation of an integrated network schedule for maintenance and modification outages. Extensive use of Primavera's Finest Hour in development and integration of schedules from the Plant Major contractor, and Power Service Shop. Used Finest Hour capabilities in Import/Export functions, batch and interactive input, resource leveling, target creation, and report and graphic output generation. Created coding structure for management reporting. Updated and maintained the integrated schedule during outages.

TVA's Browns Ferry Nuclear Plant. Performed both scheduling and cost control applications using PROJECT/2 and PCP for resource and man-hour control of a major plant modifications outage. Created PCP network, including work breakdown structures, CRQs, and reports. Prepared timely reports for plant engineering management. Maintained the PCP network.

TVA's Sequoyah Nuclear Plant. Performed scheduling applications using P/2 for a major modifications outage. Extensive critical path analysis of engineering schedules. Prepared reports and graphics for management. Provided coordination among outage departments.

TVA's Browns Ferry Nuclear Plant. Performed scheduling applications using P/2 for the modifications department during a major modifications outage. Provided resource/cost reporting using PCP. Coordinated engineering and modifications outage work.

Pennsylvania Power & Light's Susquehanna Steam Electric Station. Performed scheduling applications using PROJECT/2 for the Outage Management organization during a refueling and inspection outage. Developed PROJECT/2 schedules for plant system logic. Provided reports and graphics using TAG and RAMIS systems for plant management throughout the outage.

Georgia Power's Hatch Nuclear Power Plant. Performed coordination and scheduling of outage work activities using PROJECT/2 for the Outage Management department during several scheduled refueling outages, forced outages, and a major recirculation pipe replacement outage. Developed integrated schedules coordinating plant department schedules.

Provided planning and scheduling support for both home office and project planners. Assisted in the computerization of scheduling networks. Trained home office and client personnel in scheduling and graphic systems. Developed standards and procedures for planning and scheduling system data.

**Joseph N. Freedman
Senior Consultant**

Summary

Mr. Freedman has over 35 years of financial, management, auditing and consulting experience primarily in the Electric and Gas utility industry. He has held Auditing, Supervisory and Managerial Accounting positions in three major investor owned Public Utilities. His extensive experience includes financial projects, regulatory filings, financial accounting, and financial and operational audits.

Financial Projects

Mr. Freedman was the financial Accounting Manager responsible for the accounting and reporting of construction costs associated with a major \$1.2b jointly owned Fossil Fuel Generating Station Construction Project and a \$160m, 100Mw Wind Generating Project. His responsibilities included recording and reporting of the cost to construct on the company books, to the joint owners and to the various regulatory agencies. He also negotiated the Accounting for the Fossil Fuel project with joint owners. He led the project to upgrade to the next generation of the Power Plant Fixed Asset system software. The upgrade was necessary to provide a universal platform to merge four other acquired companies fixed assets into one system. He was responsible for implementing the Federal Energy Regulatory Commission (FERC) guidelines for asset classifications between Transmission/Substation and Distribution assets, and executing the associated Federal and State filing requirements.

Regulatory Filings

He has supported and/or filed written testimony in regulatory cases in Illinois, New York, Missouri and Kansas. He has provided analytical support and expertise in FERC accounting in support of testimony before regulatory agencies. Routinely he supported counsel and company witnesses with interrogatories, depositions and during hearings. He is also well versed in rate base regulatory filing requirements for several state jurisdictions. Mr. Freedman has extensive experience working with state regulators, Depreciation Consultants, and rate case attorneys. He possesses a thorough knowledge of FERC accounting rules and regulations for Regulated Utilities.

Financial Accounting

He had direct responsibility for the accounting and reporting associated with \$5b in Plant Assets and up to \$350m in annual construction expenditures and managed a professional and clerical staff of up to 18. He routinely provides expertise in regulated accounting in accordance with FERC accounting standards. He has negotiated major multi-million dollar coal contracts on behalf of the companies for which he has worked. Mr. Freedman has excellent analytical capabilities. His expertise includes the proven ability to review complex information and provide the results in a clear, concise manner. He has extensive experience in providing accounting training, associated with regulatory accounting, to various groups within organizations. Routinely he provided guidance and consultation to senior management associated with the proper regulatory accounting to follow.

Financial and Operational Audits

Mr. Freedman, as a Corporate Internal Auditor, has performed financial and operational audits of large construction projects; engineering firms; utilities; coal mining operations; and nuclear, hydroelectric and fossil fuel power plant construction. Those audits have in many instances produced findings that saved the company thousands of dollars because of incorrect charges, non-compliance with contract terms and conditions, and through enhanced processes

and procedures. He has also performed compliance audits associated with the requirements of Sarbanes Oxley.

Education

St. John Fisher College, BS Accounting with minors in English and Economics
Completed various seminars on Management, Fraud, and Supervisory skills.

Regulatory Experience

Before the Connecticut Department of Public Utility Control

Docket 10-02-13 *Application of Aquarion Water Company to Amend its Rate Schedules*
On behalf of the Staff of the Connecticut Department of Public Utility, April-August 2010
Provided review, analysis, and recommendations for the engagement focusing on rate case operating income adjustments related to Chemical and sludge expense, property taxes, Insurance expense, and changes in Cash Working Capital and unamortized deferrals included in rate base.

Docket 07-07-01 Diagnostic Management Audit of Connecticut Light and Power.
On behalf of the Staff of the Department of Public Utility Control July 2008-June 2009
Performed in-depth investigation and assessment of the Company's business processes, procedures, and policies relating to the management operations and system of internal controls of the company's Financial Operations. In addition, provided an in-depth review of the development and implementation process of the company's new customer information system.

Before the Delaware Public Service Commission

Docket No. 09-414 *On behalf of the Staff of the Delaware Public Service Commission in the matter of the application Delmarva Power & Light Company for approval of modifications to its electric base rates*, September 2009-May 2010
Performed rate case analysis and assessment of company's proposed revenue requirement. Assisted with analysis of post test period capital project for rate base, the Integrated resource plan, Credit Facility, advanced electric metering system, customer advances for construction, construction work in progress in rate base, materials and supplies, and investment tax credit. Prepared written witness testimony related to one or more of those issues.

Before the District of Columbia Public Service Commission

Formal Case No. 1076 *In the Matter of the Application of the Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service*.
On Behalf of the DCPSC, July-March 2010
Advised Commission Staff on the Company's and intervener's filings and testimony regarding revenue requirements, rate base, cost of service, rate design, bill stabilization, and depreciation.

Before the Illinois Commerce Commission

Provided expert witness written Accounting testimony and financial support for the company's position on depreciation in the 2004 Gas rate case on behalf of Illinois Power Company. That position ultimately saved the company \$2m annually in depreciation expense.

Before the Kansas Commerce Commission

Provided expert witness written accounting testimony, responded to hundreds of regulatory financial interrogatories, and provided support for two Electric rate cases filed in 2006-2007 on behalf of Kansas City Power and Light.

Before the Massachusetts Department of Public Utilities

Case No. D.P.U. 08-110 *On behalf of the Massachusetts Department of Public Utilities regarding the Petition and Complaint of the Massachusetts Attorney General for an Audit of New England Gas Company, February-August 2010*

Assisted in the evaluation the accuracy of the accounting records, practices and procedures for Cash, Accounts Receivable, Construction work in progress, Utility Plant in service, depreciation, and Payroll which were used in the development of New England Gas Company's revenue requirements calculations in the Company's base rate request.

Before the Michigan Public Service Commission

Case No. U-15806/U-15890 *On behalf of the Michigan Attorney General in the matter of Detroit Edison's and Michigan Consolidated Gas Company's to comply with Public Acts 286 and 296 regarding their Renewable Energy Plan and Energy Optimization Plan, March-June 2009*

Reviewed the Energy Optimization Plans of both Detroit Edison and Michigan Consolidated Gas and provided analysis of issues and shortcomings concerning the plans in relation to the specifications of the Act and the benefit to customers.

Case No. U-15805/15889 *In the matter of Consumers Energy Company to comply with Public Acts 286 and 295 regarding their Renewable Energy Plan and Energy Optimization Plan, March-June 2009*

Reviewed the Energy Optimization Plans of Consumers Energy Company and provided analysis of issues and shortcomings concerning the plans in relation to the specifications of the Act and the benefit to customers.

Before the Missouri Public Service Commission

Provided expert witness written accounting testimony, responded to hundreds of regulatory financial interrogatories, and provided support for two Electric rate cases filed in 2006-2007 on behalf of Kansas City Power and Light.

Before the New York Public Service Commission

Provided expert witness written accounting testimony and financial support of the company's position in the Homer City Coal Cleaning Plant and Helen Mining Company prudence proceeding on behalf of New York State Electric and Gas and Pennsylvania Electric Co.

Before the Public Utility Commission of Ohio

Case No. 08-0074-GAS-AIR *In the matter of the Application of Columbia Gas of Ohio, Inc. for an increase in rates.*

On behalf of the Staff of the Ohio Public Utilities Commission, April 2008-August 2008. Assisted in analysis of a comprehensive rate case audit of Columbia Gas of Ohio's gas rate filing. Primary goal of project was to validate information in filing, provide findings conclusions and recommendations concerning the reliability of information and data in the filing and support staff in its evaluation of the reasonableness of the filing.

Utah Division of Public Utilities

Docket No. 09-035-23 *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, June-December 2009*

Verified the reasonableness of the revenue requirements as provided by the company in its application. Assisted in the accuracy of the Capital policies, procedures, and decision making process; rate base adjustments related to capital additions and infrastructure investment; construction work in progress, including interest during construction; accounting for cost allocations; and the generation power plant overhaul schedule. Prepared written testimony for one or more of those areas.

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