

18 April 2008

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms Walli:

Re: EB-2007-0905 OPG Prescribed Facilities – GEC/Pembina/OSEA evidence

Attached please find the evidence of Mr. Paul Chernick with respect to cost of capital issues in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Poch', with a stylized flourish at the end.

David Poch

PROVINCE OF ONTARIO
BEFORE THE ONTARIO ENERGY BOARD

Application Ontario Power Generation)
Inc. for Determination of Payment)
Amounts for the Output of Certain of Its)
Generating Facilities)

EB-2007-0905

DIRECT TESTIMONY OF
PAUL CHERNICK
ON BEHALF OF
GREEN ENERGY COALITION, PEMBINA INSTITUTE, AND
ONTARIO SUSTAINABLE ENERGY ASSOCIATION

Resource Insight, Inc.

APRIL 18, 2008

TABLE OF CONTENTS

I.	Identification & Qualifications	1
II.	Introduction.....	3
III.	Differences in Costs of Capital	3
IV.	Importance of Differentiating Nuclear and Hydro Costs	13

APPENDICES

Appendix 1	<i>Professional Qualifications of Paul Chernick</i>
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1 **I. Identification & Qualifications**

2 **Q: Mr. Chernick, please state your name, occupation, and business address.**

3 A: I am Paul L. Chernick. I am the president of Resource Insight, Inc., 5 Water
4 Street, Arlington, Massachusetts.

5 **Q: Summarize your professional education and experience.**

6 A: I received an SB degree from the Massachusetts Institute of Technology in June
7 1974 from the Civil Engineering Department, and an SM degree from the
8 Massachusetts Institute of Technology in February 1978 in technology and
9 policy. I have been elected to membership in the civil engineering honorary
10 society Chi Epsilon, and the engineering honor society Tau Beta Pi, and to
11 associate membership in the research honorary society Sigma Xi.

12 I was a utility analyst for the Massachusetts Attorney General for more
13 than three years, and was involved in numerous aspects of utility rate design,
14 costing, load forecasting, and the evaluation of power supply options. Since
15 1981, I have been a consultant in utility regulation and planning, first as a
16 research associate at Analysis and Inference, after 1986 as president of PLC,
17 Inc., and in my current position at Resource Insight. In these capacities, I have
18 advised a variety of clients on utility matters.

19 My work has considered, among other things, the cost-effectiveness of pro-
20 spective new generation plants and transmission lines, retrospective review of
21 generation-planning decisions, ratemaking for plant under construction,
22 ratemaking for excess and/or uneconomical plant entering service, conservation
23 program design, cost recovery for utility efficiency programs, the valuation of
24 environmental externalities from energy production and use, allocation of costs
25 of service between rate classes and jurisdictions, design of retail and wholesale

1 rates, and performance-based ratemaking and cost recovery in restructured gas
2 and electric industries. My professional qualifications are further summarized in
3 Appendix 1.

4 **Q: Have you testified previously in utility proceedings?**

5 A: Yes. I have testified more than two hundred times on utility issues before
6 various regulatory, legislative, and judicial bodies, including utility regulators in
7 Ontario, Alberta, Manitoba and 24 states, as well as the two US Federal
8 agencies.

9 **Q: Have you previously presented evidence before the Ontario Energy Board?**

10 A: Yes. I filed evidence and/or testified before the Ontario Environmental Assess-
11 ment Board in Ontario Hydro's Demand/Supply Plan hearings in 1992, and
12 before the OEB in the following dockets:

- 13 • EBRO 490, DSM cost recovery and lost-revenue adjustment mechanism for
14 Consumers Gas Company;
- 15 • EBRO 495, LRAM and shared-savings incentive for DSM performance of
16 Consumers Gas;
- 17 • RP-1999-0034, Ontario Performance-Based Rates for electric distribution
18 utilities;
- 19 • RP-1999-0044, Ontario Hydro transmission-cost allocation and rate
20 design;
- 21 • RP-1999-0017, Union Gas proposal for performance-based rates;
- 22 • RP-2002-0120, Ontario transmission-system code;
- 23 • RP-2004-018, cost recovery and DSM for electric-distribution utilities;
- 24 • EB-2005-0520, rate design and cost allocation for Union Gas firm
25 customers;
- 26 • EB-2006-0021; gas utility DSM planning and cost recovery.

1 **II. Introduction**

2 **Q: On whose behalf are you testifying?**

3 A: My testimony is sponsored by the Green Energy Coalition, Pembina Institute,
4 and Ontario Sustainable Energy Association.

5 **Q: What is the purpose of your testimony?**

6 A: My clients have asked me to review the policy implications of Ontario Power
7 Generation's (OPG) request for a single blended cost of capital for its two very
8 different regulated operating segments: nuclear and hydroelectric operations.

9 **Q: What do you conclude?**

10 A: I conclude that the Board should set separate costs of capital—that is, cost of
11 equity and capital structure—for each of OPG's operational segments, both to
12 facilitate the tracking of costs and to improve OPG's decision-making with
13 regard to investments.

14 **III. Differences in Costs of Capital**

15 **Q: What determines the cost of capital for various lines of business?**

16 A: Entities that raise capital in the capital markets must pay a return on debt and
17 offer an expected return on equity that attract investors. Investors have other
18 things they can do with their money (buy other debt, equities, real estate,
19 commodities, or other investments), and will only invest if the expected return
20 adequately compensates them for such factors as taxes and risk.

21 Every business operation faces risks related to the variability of costs and
22 revenues. In most cases, the equity holders assume most of the risk; current
23 dividends may decrease or disappear in difficult financial times, and stock prices
24 fall when the market observes adverse changes in the operation's prospects. In

1 contrast, debt holders usually paid the same amount regardless of the financial
2 performance of the firm. Nonetheless, to the extent that investors are concerned
3 about the prospect of continuing interest payments or repayment of capital, the
4 price of the bonds can fall even if interest payments continue. All else equal, the
5 less equity that supports a given investment, the greater the risk borne by each
6 dollar of equity and the greater the cost of equity. At the same time, the
7 decreased equity increases the likelihood that the equity will not be able to
8 absorb the effects of adverse events and that debt payments would be in
9 jeopardy. Hence, the lower the equity contribution, the higher the cost of debt.

10 Regardless of how the risks are spread over equity and debt investments, it
11 is the risk of the operation that drives the cost of capital.

12 **Q: Are the costs of capital for OPG's nuclear operations and its hydroelectric**
13 **operations equivalent to one another?**

14 A: No. OPG's nuclear operations are riskier than its hydroelectric operations. This
15 point is made very clearly by OPG's witness, Kathleen C. McShane, in Exhibit
16 C1-T1-S1. She makes the following points:

- 17 • The "risk to the nuclear operations that there will be unutilized baseload
18 capacity will rise as additional low marginal cost generation becomes
19 available. This is particularly problematic for nuclear generation, given the
20 time required for the plants to ramp production up and down" (at pp. 68–
21 69).
- 22 • "The production/operating risks related to the nuclear assets are signifi-
23 cantly higher than those of the hydroelectric generation facilities (and are
24 higher than those of any other types of generation). Nuclear technology is
25 more complex than other types of generation and is subject to higher risks
26 of unanticipated costs of repair and loss of production" (at p. 69).

- 1 • “Nuclear generating assets have significant operational and technology
2 risks. OPG operates 10 of its 12 CANDU nuclear units at its three stations.
3 Technical challenges associated with key components of the facilities have
4 the potential to expose the nuclear units to lengthy outages and have nega-
5 tively affected operational and cash flow performance in the past” (at p. 69,
6 note 73).¹
- 7 • “The nuclear operating environment is much harsher than for fossil genera-
8 tion or for hydroelectric generation. As a result, the complexity and length
9 of time for repair of nuclear plants often exceed those of hydroelectric or
10 fossil generation” (at p. 69).
- 11 • “The nuclear plants may also experience deterioration or shift in physical
12 properties that go beyond what was expected or assumed in the design of
13 the plant” (at p. 69).
- 14 • “The specific circumstances of OPG entail additional risk, as the reactors
15 reflect different stages of the CANDU design. Ongoing updates to nuclear
16 operating standards and regulations may require modifications to the
17 plants, particularly those with older design reactors, to ensure compliance”
18 (at p. 70).
- 19 • The “operating environment and the technological characteristics of OPG’s
20 nuclear generation fleet are such that the extent of required maintenance,
21 repair or refurbishment is 1) forecast with a higher degree of uncertainty
22 than for other types of generation, 2) can result in materially longer than
23 anticipated outages and more frequent and longer than could be expected
24 forced outages, 3) can result in higher than anticipated costs of repair or

¹Ms. McShane was quoting “Summary: Ontario Power Generation, Inc.” Standard & Poor’s, April 24, 2007.

1 remediation, and 4) potentially lead to permanent loss of production either
2 as a result of derating or a premature end of the economic life of the plant”
3 (at p. 70).

- 4 • Standard & Poor’s “finds that ‘Exposure to outages and their attendant
5 costs is often exacerbated because nuclear outages tend to be lengthy
6 relative to outages at other types of generation units given the complexity
7 of nuclear reactors and the safety and regulatory issues that must be
8 addressed before a nuclear unit is returned to service’” (at p. 70, note 74).²
- 9 • “Other production-related risks to nuclear production include weather
10 damage and the threat of increased algae runs (which restrict cooling water
11 intake flows). With respect to the latter, algae runs become more problem-
12 atic as average temperatures rise over time. Further, as average tempera-
13 tures rise, it becomes more difficult to cool the reactors. Thus, nuclear
14 stations are more significantly affected by external conditions (e.g.,
15 cooling water availability) than fossil plants” (at p. 70).
- 16 • Ontario Power Generation “faces significant risk of lost revenues due to
17 longer and more frequent than anticipated outages and higher than
18 expected costs to maintain and repair existing nuclear facilities” (at p. 71).
- 19 • Ontario Power Generation “may incur significant operating and capital
20 costs (as well as face curtailment of production and potentially permanent
21 shutdown) to comply with such CNSC regulations and license conditions.”
22 (at p. 71).
- 23 • “Regarding environmental requirements, particularly with respect to dis-
24 charges to the environment, and handling, use, storage, disposal and clean-

²Quoting “S&P Seeks Improved Risk—Assessment Metrics for U.S. Nuclear Power” Standard & Poor’s, December 20 2005.

1 up of hazardous substances, as well as the decommissioning of nuclear
2 stations at the end of their useful lives, OPG also faces significant operating
3 and capital costs” (at p. 72).

4 • “To the extent that nuclear production is adversely impacted by changes in
5 legislation or regulations related to CNSC compliance or compliance with
6 any other applicable laws, OPG is at risk” (at p. 72).

7 • “Both availability and cost of nuclear-skilled employees are a concern, as
8 the retirement of a large percentage of the skilled workforce becomes
9 increasingly imminent. Bruce Power competes for available skilled person-
10 nel; training cycles are lengthy and costly” (at p. 71).

11 • Market prices for uranium increased almost 200% over the period 2004-
12 2006 due to a shortage in worldwide mine production and a drawdown of
13 inventor...[from] under \$20 per pound in 2004 to over \$70 per pound at
14 the end of 2006.³ Since the beginning of 2007, market prices have con-
15 tinued to show high volatility with world prices reaching as high as \$136
16 per pound (U.S.) from a low of \$75 per pound (U.S.). Delays in bringing
17 on new production could lead to even higher market prices. In addition,
18 OPG’s exposure to market prices for future years has increased due to a
19 larger proportion of supply contracts that contain pricing indexed to market
20 indicators at the time of delivery.... For example, over 50% of the
21 deliveries in 2009 are priced based on world prices at the time of
22 delivery.... Higher uranium prices have already increased OPG forecast
23 fuel expense in 2009 by almost 140% relative to 2004; continued increases
24 in uranium prices could push the fuel expense even higher” (at pp. 72–73).

³I believe that is a 250% increase.

- 1 • “With respect to decommissioning and used fuel risks, ...a significant
2 increase in the estimate of the liability could have a significant negative
3 impact on OPG’s financial condition” (at pp. 73–4).
- 4 • “With respect to waste storage, although an options study for the disposal
5 of high level waste has been submitted to the federal government, the
6 choice of alternative could have a significant impact on the estimated
7 liability. Risks associated with nuclear waste storage include financial
8 impacts of siting the geological repository and concerns in communities of
9 interest. Licensing of the repository requires community support, which
10 could deteriorate and result in protracted and costly processes. Similar
11 issues exist with respect to the storage of low and intermediate level waste.
12 The government has recently elevated the environmental assessment of
13 OPG’s proposed deep geological depository within the Bruce Nuclear site
14 to a panel, which could result in material schedule delays and costs” (at p.
15 74).
- 16 • Life extension “increases liabilities related to used fuel and waste
17 management costs” (at p. 75).
- 18 • “In addition, since the assumption underlying decommissioning is that the
19 reactors will be in safe storage for 30 years after the end of their useful life,
20 and that dismantlement will take a further 10 years, there is a significant
21 risk that the costs to service the liability will have changed, the
22 decommissioning funds will not perform as was expected, and if they do
23 not, that there will be no viable means to recover the deficit through
24 regulated operations” (at p. 75).

25 **Q: Are the higher risks of nuclear operations reflected in OPG’s rate proposal?**

1 A: Yes. These risks are the basis for the following provisions in OPG's proposal,
2 Exhibit C2-T1-S1:

- 3 • the proposal to collect 25% of nuclear costs through a fixed charge,
- 4 • "the proviso that it retains the right to request a deferral account to recover
5 [nuclear-regulation] related costs if they result in a material financial
6 impact" (at p. 72).
- 7 • the request for "a variance account to record variances between forecast
8 and actual uranium costs" (at p. 73).
- 9 • the retention of the ability to seek deferral for future recovery of
10 "unanticipated costs [that] are incurred due to unforeseen [nuclear]
11 technological changes" (at p. 75).
- 12 • the retention of the variance account for decommissioning and used fuel
13 costs.

14 **Q: Do these OPG's proposals reduce the risks of nuclear investment?**

15 A: No. They simply transfer the risks to OPG's customers and Ontario consumers.

16 **Q: Should OPG's return be reduced to reflect the transfer of risks to
17 consumers?**

18 A: No. When the risks of an investor-owned utility are shifted to ratepayers, the
19 utility's return should generally be reduced. But for OPG, as a provincial entity, a
20 return on equity that reflects the underlying risks has two advantages. First, the
21 higher return will increase OPG's retained earnings when all goes well, allowing
22 OPG to absorb more of the costs of adverse outcomes when they occur. Second,
23 since OPG will use the return set by the OEB in evaluating investments, it is
24 important that the return on nuclear investments include as much of the nuclear
25 risks as feasible.

1 **Q: Do you believe that Ms. McShane’s estimate of the cost of capital for OPG’s**
2 **hydro operations is reasonable?**

3 A: While I have not attempted to independently verify Ms. McShane’s estimate, it
4 seems reasonable. Ms. McShane’s estimated cost of capital for OPG’s hydro
5 operations is about 8%, which is similar to the costs of capital embedded in the
6 bids in the current procurement of peaking capacity under cost-of-service
7 contracts conducted by the Connecticut Department of Public Utility Control
8 (Docket No. 08-01-01). Bidders were allowed to offer costs of equity up to
9 10.75%, indexed to allowed utility ROE (but with a 9.75% floor), and up to 60%
10 equity. Bidders offered ROEs from 9.75% to 10.75%, and equity of 40% to 50%.
11 With a 6% debt cost, these bids are equivalent to 7.8% to 9.1% overall return.
12 The bids that have been recommended by experts for the Department and the
13 Office of Consumer Counsel (including me) offered returns equivalent to 8.2%
14 to 8.6%.

15 **Q: How much greater might the cost of capital be for nuclear investments than**
16 **for hydroelectric investments?**

17 A: There are several distinct nuclear risks. Ms. McShane separately quantifies the
18 cost of one risk—of variation in energy production—in estimating the effect on
19 cost of capital of OPG’s proposal to recover 25% of its nuclear revenues through
20 a fixed charge. In Exhibit L-T12-S1, she estimates that “If the Board does not
21 approve” that proposal “the increase in the required ROE could be approxi-
22 mately...25 basis points.” If bearing 25% of the nuclear revenue risk requires 25
23 basis points, the entire nuclear revenue risk would be about 100 basis points, or
24 a full 1% increase in ROE. Since nuclear represents only 45% of OPG’s
25 investment, Ms. McShane’s quantification of the output risk over the next two
26 years would require a 222-basis-point increase in the return on equity for the

1 nuclear operations alone, or (for a capital structure with 57.5% equity) 128 basis
2 points on overall return for the nuclear operations compared to operations
3 without output risks. The 25% fixed-cost recovery would reduce the cost of
4 capital for nuclear investment by 32 basis points.

5 Ms. McShane (Exhibit L-T12-S1) also estimates that a nuclear-only opera-
6 tion, with the fixed-charge proposal, but exposed to other risks, would require a
7 combination of higher equity returns and/or more equity in the capital structure,
8 as about 70% equity at the base 10.75% ROE or 60% equity at 11.25% ROE.
9 Either of these estimates, with a 6% debt cost, would result in a 9.15% overall
10 return, 56 basis points more than the return with OPG's requested capital
11 structure and ROE.

12 **Q: Are these two factors additive?**

13 A: Yes, as Ms. McShane acknowledges in Exhibit L-T12-S1. The resulting nuclear
14 cost of capital would thus be about 32 basis points more than the return
15 requested by OPG, or roughly 9.5 %.

16 **Q: Are you endorsing Ms. McShane's estimate of the nuclear risks?**

17 A: No. I believe that she may be understating the risk of nuclear investments by
18 assuming that consumers would cover large parts of the risks.

19 The nuclear cost of capital I compute from Ms. McShane's estimates is
20 about 100 basis points greater than that for the Connecticut peaking plants. This
21 small differential is plausible only to the extent that ratepayers remain at risk for
22 all prudent costs, including long-term outages and early retirement. The full risk
23 of nuclear investment to OPG and consumers is almost certainly greater than the
24 9.5% regulated-nuclear cost.

25 **Q: Have you estimated the cost of capital for an enterprise fully exposed to the**
26 **risk of owning and operating nuclear capacity?**

1 A: I have not undertaken the significant effort required to produce a full independ-
2 ent estimate of the costs associated with bearing all nuclear risks. I understand
3 that other parties in this proceeding have retained experts for this purpose. My
4 testimony is limited to the issue of whether applying separate costs of capital for
5 nuclear and hydro investments would be appropriate, and whether the difference
6 in those costs would be significant, based on the evidence that OPG has
7 provided.

8 **Q: Are you aware of any other estimates of the costs of capital for nuclear**
9 **ownership and operations?**

10 A: Yes. In its review of the Bruce Power Refurbishment Implementation Agree-
11 ment, CIBC World Markets found that a reasonable capital structure for Bruce
12 Power would be 20–40% debt, with the remainder of its capital from equity with
13 a 13.7%–18% return.⁴ With a 6.2% cost of debt, CIBC estimates that this range of
14 capital structure and return on equity would result in an overall cost of capital of
15 10.6% to 13.8%.

16 I cannot quite reproduce these results from CIBC's assumptions. I get the
17 following average costs of capitals for the combinations of CIBC's assumptions:

Return on Equity	Debt as Percent of Capital	
	20%	40%
13.7%	12.2%	10.7%
18.0%	15.6%	13.3%

18 These results would not change much with the 6% cost of debt I have
19 assumed for OPA. While the Bruce Power agreement would still result in some
20 risks being shared with ratepayers, it is a closer approximation of an entity
21 bearing the full risk of nuclear investment.

⁴Unsigned letter from CIBC World Markets to the Ontario Ministry of Energy (James Gillis, Deputy Minister and Rosalyn Lawrence, Director), October 17 2005.

1 **IV. Importance of Differentiating Nuclear and Hydro Costs**

2 **Q: Why is it useful to distinguish the costs of capital for nuclear and hydro**
3 **investments?**

4 A: There are at least two benefits of separate costs of capital for OPG's two lines of
5 business. First, if the OEB establishes separate costs of capital and the mix of
6 OPG's investment changes, due to nuclear retrofits or refurbishment or new
7 nuclear or hydro capacity, OPG's average allowed return would automatically
8 shift in the direction of the investment mix. The return would only need to be
9 updated for changes in market rates or the underlying risk in either OPG business
10 segment.

11 Second, when OPG is reviewing options for capital investments—capital to
12 reduce operating cost, capital to increase output, capital to extend operating
13 lives—it's analysis should reflect the different costs of capital for nuclear and
14 hydro investments.

15 **Q: How might the different costs of capital for nuclear and hydro investments**
16 **affect decisions about investments?**

17 A: The higher the cost of capital, the higher the annual cost of capital investments
18 and the lower the present value of future benefits.

19 For example, consider an \$12 million investment that is expected to save
20 \$1 million (or add \$1 million in revenues) in the first year, rising with 2.5%
21 inflation for 20 years. Discounting at an 8% hydro cost of capital, the present
22 value of the benefits is \$12.4 million, suggesting that the investment is prudent
23 and should be undertaken. Discounting at an 9.5% nuclear cost of capital, the
24 present value of the benefits is \$11.1 million, suggesting that the investment
25 would not be prudent and should be rejected.

1 Equivalently, the first-year real-levelized carrying cost of the investment
2 would be about \$0.9 million with hydro financing and \$1.1 million with nuclear
3 financing, reflecting the higher risk of nuclear investments.

4 **Q: Is it appropriate to use different costs in evaluating nuclear and hydro**
5 **investments?**

6 A: Yes. Just as the capital investments, fixed O&M costs, variable O&M costs, fuel
7 and capacity factors vary between hydro and nuclear production (and even
8 among plants in either segment), so does the cost of capital. It is no more
9 reasonable to use a blended cost of capital for evaluating an investment than it
10 would be to use a blended construction cost per kilowatt or fixed O&M per
11 kilowatt-year.

12 **Q: Does OPG use the cost of capital in evaluating investments?**

13 A: Yes.

14 To date, OPG has assumed a discount rate of approximately 7 percent, based
15 on 10 percent ROE, 55 percent debt ratio and 6 percent cost of debt in the
16 assessment of new investments.... In future assessments, OPG will consider
17 the approved regulated ROE/capital structure along with OPG's cost of long
18 term borrowings and make a determination of the appropriate discount rate
19 to be applied. (Exhibit L-T3-S2(d))

20 **Q: Does OPG acknowledge the importance of properly reflecting risk in**
21 **investment decisions?**

22 A: Yes. OPG acknowledges, "If different businesses or technologies are of different
23 risks, it is important to account for that difference in risks appropriately in the
24 financial analysis used to evaluate investments in these businesses" (Exhibit L-
25 T3-S2(e)).

26 **Q: Does OPG believe that the risk must be incorporated in the cost of capital?**

1 A: No. OPG asserts, “The mechanism to account for difference in risks does not
2 have to be through the use of a different cost of capital; it can be done by
3 building risk into the cash flows in the analyse.” (Exhibit L-T3-S2(e)).

4 **Q: Can “building risk into cash flows” substitute for risk-adjusted cost of**
5 **capital?**

6 A: In principle, revenues from a potential investment could be reduced and
7 operating costs increased to reflect the risks. In practice, it is difficult to capture
8 the many risks of a complex business segment in this fashion. Some risks result
9 from small probabilities of large increases in cost components that are expected
10 to be small, while other risks reflect smooth distributions around the best
11 estimate of a cost.

12 If the approach that OPG suggests were easy or straightforward, it could
13 have simply adjusted each of its nuclear cost and revenue computations in its
14 application to the risk-adjusted equivalent, and requested the hydro-equivalent
15 return of about 8% for all its investments. I do not know whether OPG could
16 perform (and explain) those analyses, but I suspect that it was wise to reflect
17 nuclear risk in it requested return, rather than attempting to model risk-adjusted
18 cash flows.

19 **Q: Does this conclude your testimony?**

20 A: Yes.

Appendix 1

PAUL L. CHERNICK

Resource Insight, Inc.
5 Water Street
Arlington, Massachusetts 02176

SUMMARY OF PROFESSIONAL EXPERIENCE

- 1986–Present* **President, Resource Insight, Inc.** Consults and testifies in utility and insurance economics. Reviews utility supply-planning processes and outcomes: assesses prudence of prior power planning investment decisions, identifies excess generating capacity, analyzes effects of power-pool-pricing rules on equity and utility incentives. Reviews electric-utility rate design. Estimates magnitude and cost of future load growth. Designs and evaluates conservation programs for electric, natural-gas, and water utilities, including hook-up charges and conservation cost recovery mechanisms. Determines avoided costs due to cogenerators. Evaluates cogeneration rate risk. Negotiates cogeneration contracts. Reviews management and pricing of district heating systems. Determines fair profit margins for automobile and workers' compensation insurance lines, incorporating reward for risk, return on investments, and tax effects. Determines profitability of transportation services. Advises regulatory commissions in least-cost planning, rate design, and cost allocation.
- 1981–86* **Research Associate, Analysis and Inference, Inc.** (Consultant, 1980–81). Researched, advised, and testified in various aspects of utility and insurance regulation. Designed self-insurance pool for nuclear decommissioning; estimated probability and cost of insurable events, and rate levels; assessed alternative rate designs. Projected nuclear power plant construction, operation, and decommissioning costs. Assessed reasonableness of earlier estimates of nuclear power plant construction schedules and costs. Reviewed prudence of utility construction decisions. Consulted on utility rate-design issues, including small-power-producer rates; retail natural-gas rates; public-agency electric rates, and comprehensive electric-rate design for a regional power agency. Developed electricity cost allocations between customer classes. Reviewed district-heating-system efficiency. Proposed power-plant performance standards. Analyzed auto-insurance profit requirements. Designed utility-financed, decentralized conservation program. Analyzed cost-effectiveness of transmission lines.
- 1977–81* **Utility Rate Analyst, Massachusetts Attorney General.** Analyzed utility filings and prepared alternative proposals. Participated in rate negotiations, discovery, cross-examination, and briefing. Provided extensive expert testimony before various regulatory agencies. Topics included demand forecasting, rate design, marginal costs, time-of-use rates, reliability issues, power-pool operations, nuclear-power cost projections, power-plant cost-benefit analysis, energy conservation, and alternative-energy development.

EDUCATION

SM, Technology and Policy Program, Massachusetts Institute of Technology, February 1978.

SB, Civil Engineering Department, Massachusetts Institute of Technology, June 1974.

HONORS

Chi Epsilon (Civil Engineering)

Tau Beta Pi (Engineering)

Sigma Xi (Research)

Institute Award, Institute of Public Utilities, 1981.

PUBLICATIONS

“Environmental Regulation in the Changing Electric-Utility Industry” (with Rachel Brailove), *International Association for Energy Economics Seventeenth Annual North American Conference* (96–105). Cleveland, Ohio: USAEE. 1996.

“The Price is Right: Restructuring Gain from Market Valuation of Utility Generating Assets” (with Jonathan Wallach), *International Association for Energy Economics Seventeenth Annual North American Conference* (345–352). Cleveland, Ohio: USAEE. 1996.

“The Future of Utility Resource Planning: Delivering Energy Efficiency through Distributed Utilities” (with Jonathan Wallach), *International Association for Energy Economics Seventeenth Annual North American Conference* (460–469). Cleveland, Ohio: USAEE. 1996.

“The Future of Utility Resource Planning: Delivering Energy Efficiency through Distribution Utilities” (with Jonathan Wallach), *1996 Summer Study on Energy Efficiency in Buildings*, Washington: American Council for an Energy-Efficient Economy 7(7.47–7.55). 1996.

“The Allocation of DSM Costs to Rate Classes,” *Proceedings of the Fifth National Conference on Integrated Resource Planning*. Washington: National Association of Regulatory Utility Commissioners. May 1994.

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“The Transfer Loss is All Transfer, No Loss” (with Jonathan Wallach), *The Electricity Journal* 6:6 (July 1993).

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“ESCOs or Utility Programs: Which Are More Likely to Succeed?” (with Sabrina Birner), *The Electricity Journal* 5:2, March 1992.

“Determining the Marginal Value of Greenhouse Gas Emissions” (with Jill Schoenberg), *Energy Developments in the 1990s: Challenges Facing Global/Pacific Markets, Vol. II*, July 1991.

“Monetizing Environmental Externalities for Inclusion in Demand-Side Management Programs” (with E. Caverhill), *Proceedings from the Demand-Side Management and the Global Environment Conference*, April 1991.

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“The Valuation of Environmental Externalities in Utility Regulation” (with Emily Caverhill), *External Environmental Costs of Electric Power: Analysis and Internalization*. Springer-Verlag; Berlin: 1991.

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“Conservation and Load Management for Natural Gas Utilities,” Massachusetts Natural Gas Council; Newton, Massachusetts, April 3 1989.

New England Conference of Public Utilities Commissioners, Environmental Externalities Workshop; Portsmouth, New Hampshire, January 22–23 1989.

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“Utility Rate Shock,” National Conference of State Legislatures; Boston, Massachusetts, August 6 1984.

“Review and Modification of Regulatory and Rate Making Policy,” National Governors’ Association Working Group on Nuclear Power Cost Overruns; Washington, D.C., June 20 1984.

“Review and Modification of Regulatory and Rate Making Policy,” Annual Meeting of the American Association for the Advancement of Science, Session on Monitoring for Risk Management; Detroit, Michigan, May 27 1983.

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EXPERT TESTIMONY

1. **MEFSC 78-12/MDPU 19494**, Phase I; Boston Edison 1978 forecast; Massachusetts Attorney General; June 12 1978.

Appliance penetration projections, price elasticity, econometric commercial forecast, peak demand forecast. Joint testimony with Susan C. Geller.

2. **MEFSC 78-17**; Northeast Utilities 1978 forecast; Massachusetts Attorney General; September 29 1978.

Specification of economic/demographic and industrial models, appliance efficiency, commercial model structure and estimation.

3. **MEFSC 78-33**; Eastern Utilities Associates 1978 forecast; Massachusetts Attorney General; November 27 1978.

Household size, appliance efficiency, appliance penetration, price elasticity, commercial forecast, industrial trending, peak demand forecast.

4. **MDPU 19494**; Phase II; Boston Edison Company Construction Program; Massachusetts Attorney General; April 1 1979.

Review of numerous aspects of the 1978 demand forecasts of nine New England electric utilities, constituting 92% of projected regional demand growth, and of the NEPOOL demand forecast. Joint testimony with S.C. Geller.

5. **MDPU 19494**; Phase II; Boston Edison Company Construction Program; Massachusetts Attorney General; April 1 1979.

Reliability, capacity planning, capability responsibility allocation, customer generation, co-generation rates, reserve margins, operating reserve allocation. Joint testimony with S. Finger.

6. **ASLB, NRC 50-471**; Pilgrim Unit 2, Boston Edison Company; Commonwealth of Massachusetts; June 29 1979.

Review of the Oak Ridge National Laboratory and NEPOOL demand forecast models; cost-effectiveness of oil displacement; nuclear economics. Joint testimony with S.C. Geller.

7. **MDPU 19845**; Boston Edison Time-of-Use Rate Case; Massachusetts Attorney General; December 4 1979.

Critique of utility marginal cost study and proposed rates; principles of marginal cost principles, cost derivation, and rate design; options for reconciling costs and revenues. Joint testimony with S.C. Geller. Testimony eventually withdrawn due to delay in case.

8. **MDPU 20055**; Petition of Eastern Utilities Associates, New Bedford G. & E., and Fitchburg G. & E. to purchase additional shares of Seabrook Nuclear Plant; Massachusetts Attorney General; January 23 1980.

Review of demand forecasts of three utilities purchasing Seabrook shares; Seabrook power costs, including construction cost, completion date, capacity factor, O&M expenses, interim replacements, reserves and uncertainties; alternative energy sources, including conservation, cogeneration, rate reform, solar, wood and coal conversion.

9. **MDPU 20248**; Petition of MMWEC to Purchase Additional Share of Seabrook Nuclear Plant; Massachusetts Attorney General; June 2 1980.

Nuclear power costs; update and extension of MDPU 20055 testimony.

10. **MDPU 200**; Massachusetts Electric Company Rate Case; Massachusetts Attorney General; June 16 1980.

Rate design; declining blocks, promotional rates, alternative energy, demand charges, demand ratchets; conservation: master metering, storage heating, efficiency standards, restricting resistance heating.

11. **MEFSC 79-33**; Eastern Utilities Associates 1979 Forecast; Massachusetts Attorney General; July 16 1980.

Customer projections, consistency issues, appliance efficiency, new appliance types, commercial specifications, industrial data manipulation and trending, sales and resale.

12. **MDPU 243**; Eastern Edison Company Rate Case; Massachusetts Attorney General; August 19 1980.

Rate design: declining blocks, promotional rates, alternative energy, master metering.

13. **Texas PUC 3298**; Gulf States Utilities Rate Case; East Texas Legal Services; August 25 1980.

Inter-class revenue allocations, including production plant in-service, O&M, CWIP, nuclear fuel in progress, amortization of canceled plant residential rate design; interruptible rates; off-peak rates. Joint testimony with M. B. Meyer.

14. **MEFSC 79-1**; Massachusetts Municipal Wholesale Electric Company Forecast; Massachusetts Attorney General; November 5 1980.

Cost comparison methodology; nuclear cost estimates; cost of conservation, cogeneration, and solar.

15. **MDPU 472**; Recovery of Residential Conservation Service Expenses; Massachusetts Attorney General; December 12 1980.

Conservation as an energy source; advantages of per-kWh allocation over per-customer-month allocation.

16. **MDPU 535**; Regulations to Carry Out Section 210 of PURPA; Massachusetts Attorney General; January 26 1981 and February 13 1981.

Filing requirements, certification, qualifying facility (QF) status, extent of coverage, review of contracts; energy rates; capacity rates; extra benefits of QFs in specific areas; wheeling; standardization of fees and charges.

17. **MEFSC 80-17**; Northeast Utilities 1980 Forecast; Massachusetts Attorney General; March 12 1981 (not presented).

Specification process, employment, electric heating promotion and penetration, commercial sales model, industrial model specification, documentation of price forecasts and wholesale forecast.

18. **MDPU 558**; Western Massachusetts Electric Company Rate Case; Massachusetts Attorney General; May 1981.

Rate design including declining blocks, marginal cost conservation impacts, and promotional rates. Conservation, including terms and conditions limiting renewable, cogeneration, small power production; scope of current conservation program; efficient insulation levels; additional conservation opportunities.

19. **MDPU 1048**; Boston Edison Plant Performance Standards; Massachusetts Attorney General; May 7 1982.

Critique of company approach, data, and statistical analysis; description of comparative and absolute approaches to standard-setting; proposals for standards and reporting requirements.

20. **DCPSC FC785**; Potomac Electric Power Rate Case; DC People's Counsel; July 29 1982.

Inter-class revenue allocations, including generation, transmission, and distribution plant classification; fuel and O&M classification; distribution and service allocators. Marginal cost estimation, including losses.

21. **NHPUC DE1-312**; Public Service of New Hampshire-Supply and Demand; Conservation Law Foundation, et al.; October 8 1982.

Conservation program design, ratemaking, and effectiveness. Cost of power from Seabrook nuclear plant, including construction cost and duration, capacity factor, O&M, replacements, insurance, and decommissioning.

22. **Massachusetts Division of Insurance**; Hearing to Fix and Establish 1983 Automobile Insurance Rates; Massachusetts Attorney General; October 1982.

Profit margin calculations, including methodology, interest rates, surplus flow, tax flows, tax rates, and risk premium.

- 23. Illinois Commerce Commission 82-0026;** Commonwealth Edison Rate Case; Illinois Attorney General; October 15 1982.

Review of Cost-Benefit Analysis for nuclear plant. Nuclear cost parameters (construction cost, O&M, capital additions, useful life, capacity factor), risks, discount rates, evaluation techniques.

- 24. New Mexico PSC 1794;** Public Service of New Mexico Application for Certification; New Mexico Attorney General; May 10 1983.

Review of Cost-Benefit Analysis for transmission line. Review of electricity price forecast, nuclear capacity factors, load forecast. Critique of company ratemaking proposals; development of alternative ratemaking proposal.

- 25. Connecticut Public Utility Control Authority 830301;** United Illuminating Rate Case; Connecticut Consumers Counsel; June 17 1983.

Cost of Seabrook nuclear power plants, including construction cost and duration, capacity factor, O&M, capital additions, insurance and decommissioning.

- 26. MDPU 1509;** Boston Edison Plant Performance Standards; Massachusetts Attorney General; July 15 1983.

Critique of company approach and statistical analysis; regression model of nuclear capacity factor; proposals for standards and for standard-setting methodologies.

- 27. Massachusetts Division of Insurance;** Hearing to Fix and Establish 1984 Automobile Insurance Rates; Massachusetts Attorney General; October 1983.

Profit margin calculations, including methodology, interest rates.

- 28. Connecticut Public Utility Control Authority 83-07-15;** Connecticut Light and Power Rate Case; Alloy Foundry; October 3 1983.

Industrial rate design. Marginal and embedded costs; classification of generation, transmission, and distribution expenses; demand versus energy charges.

- 29. MEFSC 83-24;** New England Electric System Forecast of Electric Resources and Requirements; Massachusetts Attorney General; November 14 1983, Rebuttal, February 2 1984.

Need for transmission line. Status of supply plan, especially Seabrook 2. Review of interconnection requirements. Analysis of cost-effectiveness for power transfer, line losses, generation assumptions.

- 30. Michigan PSC U-7775;** Detroit Edison Fuel Cost Recovery Plan; Public Interest Research Group in Michigan; February 21 1984.

Review of proposed performance target for new nuclear power plant. Formulation of alternative proposals.

- 31. MDPU 84-25;** Western Massachusetts Electric Company Rate Case; Massachusetts Attorney General; April 6 1984.

Need for Millstone 3. Cost of completing and operating unit, cost-effectiveness compared to alternatives, and its effect on rates. Equity and incentive problems created by CWIP. Design of Millstone 3 phase-in proposals to protect ratepayers: limitation of base-rate treatment to fuel savings benefit of unit.

- 32. MDPU 84-49 and 84-50;** Fitchburg Gas & Electric Financing Case; Massachusetts Attorney General; April 13 1984.

Cost of completing and operating Seabrook nuclear units. Probability of completing Seabrook 2. Recommendations regarding FG&E and MDPU actions with respect to Seabrook.

- 33. Michigan PSC U-7785;** Consumers Power Fuel Cost Recovery Plan; Public Interest Research Group in Michigan; April 16 1984.

Review of proposed performance targets for two existing and two new nuclear power plants. Formulation of alternative policy.

- 34. FERC ER81-749-000 and ER82-325-000;** Montaup Electric Rate Cases; Massachusetts Attorney General; April 27 1984.

Prudence of Montaup and Boston Edison in decisions regarding Pilgrim 2 construction: Montaup's decision to participate, the Utilities' failure to review their earlier analyses and assumptions, Montaup's failure to question Edison's decisions, and the utilities' delay in canceling the unit.

- 35. Maine PUC 84-113;** Seabrook 1 Investigation; Maine Public Advocate; September 13 1984.

Cost of completing and operating Seabrook Unit 1. Probability of completing Seabrook 1. Comparison of Seabrook to alternatives. Rate effects. Recommendations regarding utility and PUC actions with respect to Seabrook.

- 36. MDPU 84-145;** Fitchburg Gas and Electric Rate Case; Massachusetts Attorney General; November 6 1984.

Prudence of Fitchburg and Public Service of New Hampshire in decision regarding Seabrook 2 construction: FGE's decision to participate, the utilities' failure to review their earlier analyses and assumptions, FGE's failure to question PSNH's decisions, and utilities' delay in halting construction and canceling the unit. Review of literature, cost and schedule estimate histories, cost-benefit analyses, and financial feasibility.

- 37. Pennsylvania PUC R-842651;** Pennsylvania Power and Light Rate Case; Pennsylvania Consumer Advocate; November 1984.

Need for Susquehanna 2. Cost of operating unit, power output, cost-effectiveness compared to alternatives, and its effect on rates. Design of phase-in and excess capacity proposals to protect ratepayers: limitation of base-rate treatment to fuel savings benefit of unit.

- 38. NHPUC 84-200;** Seabrook Unit 1 Investigation; New Hampshire Public Advocate; November 15 1984.

Cost of completing and operating Seabrook Unit 1. Probability of completing Seabrook 1. Comparison of Seabrook to alternatives. Rate and financial effects.

- 39. Massachusetts Division of Insurance;** Hearing to Fix and Establish 1985 Automobile Insurance Rates; Massachusetts Attorney General; November 1984.

Profit margin calculations, including methodology and implementation.

- 40. MDPU 84-152;** Seabrook Unit 1 Investigation; Massachusetts Attorney General; December 12 1984.

Cost of completing and operating Seabrook. Probability of completing Seabrook 1. Seabrook capacity factors.

- 41. Maine PUC 84-120;** Central Maine Power Rate Case; Maine PUC Staff; December 11 1984.

Prudence of Central Maine Power and Boston Edison in decisions regarding Pilgrim 2 construction: CMP's decision to participate, the utilities' failure to review their earlier analyses and assumptions, CMP's failure to question Edison's decisions, and the utilities' delay in canceling the unit. Prudence of CMP in the planning and investment in Sears Island nuclear and coal plants. Review of literature, cost and schedule estimate histories, cost-benefit analyses, and financial feasibility.

- 42. Maine PUC 84-113;** Seabrook 2 Investigation; Maine PUC Staff; December 14 1984.

Prudence of Maine utilities and Public Service of New Hampshire in decisions regarding Seabrook 2 construction: decisions to participate and to increase ownership share, the utilities' failure to review their earlier analyses and assumptions, failure to question PSNH's decisions, and the utilities' delay in halting construction and canceling the unit. Review of literature, cost and schedule estimate histories, cost-benefit analyses, and financial feasibility.

- 43. MDPU 1627;** Massachusetts Municipal Wholesale Electric Company Financing Case; Massachusetts Executive Office of Energy Resources; January 14 1985.

Cost of completing and operating Seabrook nuclear unit 1. Cost of conservation and other alternatives to completing Seabrook. Comparison of Seabrook to alternatives.

- 44. Vermont PSB 4936;** Millstone 3; Costs and In-Service Date; Vermont Department of Public Service; January 21 1985.

Construction schedule and cost of completing Millstone Unit 3.

- 45. MDPU 84-276;** Rules Governing Rates for Utility Purchases of Power from Qualifying Facilities; Massachusetts Attorney General; March 25 1985, and October 18 1985.

Institutional and technological advantages of Qualifying Facilities. Potential for QF development. Goals of QF rate design. Parity with other power sources. Security requirements. Projecting avoided costs. Capacity credits. Pricing options. Line loss corrections.

- 46. MDPU 85-121;** Investigation of the Reading Municipal Light Department; Wilmington (MA) Chamber of Commerce; November 12 1985.

Calculation on return on investment for municipal utility. Treatment of depreciation and debt for ratemaking. Geographical discrimination in street-lighting rates. Relative size of voluntary payments to Reading and other towns. Surplus and disinvestment. Revenue allocation.

- 47. Massachusetts Division of Insurance;** Hearing to Fix and Establish 1986 Automobile Insurance Rates; Massachusetts Attorney General and State Rating Bureau; November 1985.

Profit margin calculations, including methodology, implementation, modeling of investment balances, income, and return to shareholders.

- 48. New Mexico PSC 1833, Phase II;** El Paso Electric Rate Case; New Mexico Attorney General; December 23 1985.

Nuclear decommissioning fund design. Internal and external funds; risk and return; fund accumulation, recommendations. Interim performance standard for Palo Verde nuclear plant.

- 49. Pennsylvania PUC R-850152;** Philadelphia Electric Rate Case; Utility Users Committee and University of Pennsylvania; January 14 1986.

Limerick 1 rate effects. Capacity benefits, fuel savings, operating costs, capacity factors, and net benefits to ratepayers. Design of phase-in proposals.

- 50. MDPU 85-270;** Western Massachusetts Electric Rate Case; Massachusetts Attorney General; March 19 1986.

Prudence of Northeast Utilities in generation planning related to Millstone 3 construction: decisions to start and continue construction, failure to reduce ownership share, failure to pursue alternatives. Review of industry literature, cost and schedule histories, and retrospective cost-benefit analyses.

- 51. Pennsylvania PUC R-850290;** Philadelphia Electric Auxiliary Service Rates; Albert Einstein Medical Center, University of Pennsylvania and AMTRAK; March 24 1986.

Review of utility proposals for supplementary and backup rates for small power producers and cogenerators. Load diversity, cost of peaking capacity, value of generation, price signals, and incentives. Formulation of alternative supplementary rate.

- 52. New Mexico PSC 2004;** Public Service of New Mexico, Palo Verde Issues; New Mexico Attorney General; May 7 1986.

Recommendations for Power Plant Performance Standards for Palo Verde nuclear units 1, 2, and 3.

- 53. Illinois Commerce Commission 86-0325;** Iowa-Illinois Gas and Electric Co. Rate Investigation; Illinois Office of Public Counsel; August 13 1986.

Determination of excess capacity based on reliability and economic concerns. Identification of specific units associated with excess capacity. Required reserve margins.

- 54. New Mexico PSC 2009;** El Paso Electric Rate Moderation Program; New Mexico Attorney General; August 18 1986. (Not presented).

Prudence of EPE in generation planning related to Palo Verde nuclear construction, including failure to reduce ownership share and failure to pursue alternatives. Review of industry literature, cost and schedule histories, and retrospective cost-benefit analyses.

Recommendation for rate-base treatment; proposal of power plant performance standards.

- 55. City of Boston, Public Improvements Commission;** Transfer of Boston Edison District Heating Steam System to Boston Thermal Corporation; Boston Housing Authority; December 18 1986.

History and economics of steam system; possible motives of Boston Edison in seeking sale; problems facing Boston Thermal; information and assurances required prior to Commission approval of transfer.

- 56. Massachusetts Division of Insurance;** Hearing to Fix and Establish 1987 Automobile Insurance Rates; Massachusetts Attorney General and State Rating Bureau; December 1986 and January 1987.

Profit margin calculations, including methodology, implementation, derivation of cash flows, installment income, income tax status, and return to shareholders.

- 57. MDPU 87-19;** Petition for Adjudication of Development Facilitation Program; Hull (MA) Municipal Light Plant; January 21 1987.

Estimation of potential load growth; cost of generation, transmission, and distribution additions. Determination of hook-up charges. Development of residential load estimation procedure reflecting appliance ownership, dwelling size.

- 58. New Mexico PSC 2004;** Public Service of New Mexico Nuclear Decommissioning Fund; New Mexico Attorney General; February 19 1987.

Decommissioning cost and likely operating life of nuclear plants. Review of utility funding proposal. Development of alternative proposal. Ratemaking treatment.

- 59. MDPU 86-280;** Western Massachusetts Electric Rate Case; Massachusetts Energy Office; March 9 1987.

Marginal cost rate design issues. Superiority of long-run marginal cost over short-run marginal cost as basis for rate design. Relationship of consumer reaction, utility planning process, and regulatory structure to rate design approach. Implementation of short-run and long-run rate designs. Demand versus energy charges, economic development rates, spot pricing.

- 60. Massachusetts Division of Insurance 87-9;** 1987 Workers' Compensation Rate Filing; State Rating Bureau; May 1987.

Profit margin calculations, including methodology, implementation, surplus requirements, investment income, and effects of 1986 Tax Reform Act.

- 61. Texas PUC 6184;** Economic Viability of South Texas Nuclear Plant #2; Committee for Consumer Rate Relief; August 17 1987.

STNP operating parameter projections; capacity factor, O&M, capital additions, decommissioning, useful life. STNP 2 cost and schedule projections. Potential for conservation.

- 62. Minnesota PUC ER-015/GR-87-223;** Minnesota Power Rate Case; Minnesota Department of Public Service; August 17 1987.

Excess capacity on MP system; historical, current, and projected. Review of MP planning prudence prior to and during excess; efforts to sell capacity. Cost of excess capacity. Recommendations for ratemaking treatment.

- 63. Massachusetts Division of Insurance 87-27;** 1988 Automobile Insurance Rates; Massachusetts Attorney General and State Rating Bureau; September 2 1987. Rebuttal October 8 1987.

Underwriting profit margins. Effect of 1986 Tax Reform Act. Biases in calculation of average margins.

- 64. MDPU 88-19;** Power Sales Contract from Riverside Steam and Electric to Western Massachusetts Electric; Riverside Steam and Electric; November 4 1987.

Comparison of risk from QF contract and utility avoided cost sources. Risk of oil dependence. Discounting cash flows to reflect risk.

- 65. Massachusetts Division of Insurance** 87-53; 1987 Workers' Compensation Rate Refiling; State Rating Bureau; December 14 1987.

Profit margin calculations, including updating of data, compliance with Commissioner's order, treatment of surplus and risk, interest rate calculation, and investment tax rate calculation.

- 66. Massachusetts Division of Insurance;** 1987 and 1988 Automobile Insurance Remand Rates; Massachusetts Attorney General and State Rating Bureau; February 5 1988.

Underwriting profit margins. Provisions for income taxes on finance charges. Relationships between allowed and achieved margins, between statewide and nationwide data, and between profit allowances and cost projections.

- 67. MDPU** 86-36; Investigation into the Pricing and Ratemaking Treatment to be Afforded New Electric Generating Facilities which are not Qualifying Facilities; Conservation Law Foundation; May 2 1988.

Cost recovery for utility conservation programs. Compensating for lost revenues. Utility incentive structures.

- 68. MDPU** 88-123; Petition of Riverside Steam & Electric Company; Riverside Steam and Electric Company; May 18 1988, and November 8 1988.

Estimation of avoided costs of Western Massachusetts Electric Company. Nuclear capacity factor projections and effects on avoided costs. Avoided cost of energy interchange and power plant life extensions. Differences between median and expected oil prices. Salvage value of cogeneration facility. Off-system energy purchase projections. Reconciliation of avoided cost projection.

- 69. MDPU** 88-67; Boston Gas Company; Boston Housing Authority; June 17 1988.

Estimation of annual avoidable costs, 1988 to 2005, and levelized avoided costs. Determination of cost recovery and carrying costs for conservation investments. Standards for assessing conservation cost-effectiveness. Evaluation of cost-effectiveness of utility funding of proposed natural gas conservation measures.

- 70. Rhode Island PUC** Docket 1900; Providence Water Supply Board Tariff Filing; Conservation Law Foundation, Audubon Society of Rhode Island, and League of Women Voters of Rhode Island; June 24 1988.

Estimation of avoidable water supply costs. Determination of costs of water conservation. Conservation cost-benefit analysis.

- 71. Massachusetts Division of Insurance** 88-22; 1989 Automobile Insurance Rates; Massachusetts Attorney General and State Rating Bureau; Profit Issues, August 12 1988, supplemented August 19 1988; Losses and Expenses, September 16 1988.

Underwriting profit margins. Effects of 1986 Tax Reform Act. Taxation of common stocks. Lag in tax payments. Modeling risk and return over time. Treatment of finance charges. Comparison of projected and achieved investment returns.

72. **Vermont PSB 5270**, Module 6; Investigation into Least-Cost Investments, Energy Efficiency, Conservation, and the Management of Demand for Energy; Conservation Law Foundation, Vermont Natural Resources Council, and Vermont Public Interest Research Group; September 26 1988.

Cost recovery for utility conservation programs. Compensation of utilities for revenue losses and timing differences. Incentive for utility participation.

73. **Vermont House of Representatives, Natural Resources Committee**; House Act 130; “Economic Analysis of Vermont Yankee Retirement”; Vermont Public Interest Research Group; February 21 1989.

Projection of capacity factors, operating and maintenance expense, capital additions, overhead, replacement power costs, and net costs of Vermont Yankee.

74. **MDPU 88-67**, Phase II; Boston Gas Company Conservation Program and Rate Design; Boston Gas Company; March 6 1989.

Estimation of avoided gas cost; treatment of non-price factors; estimation of externalities; identification of cost-effective conservation.

75. **Vermont PSB 5270**; Status Conference on Conservation and Load Management Policy Settlement; Central Vermont Public Service, Conservation Law Foundation, Vermont Natural Resources Council, Vermont Public Interest Research Group, and Vermont Department of Public Service; May 1 1989.

Cost-benefit test for utility conservation programs. Role of externalities. Cost recovery concepts and mechanisms. Resource allocations, cost allocations, and equity considerations. Guidelines for conservation preapproval mechanisms. Incentive mechanisms and recovery of lost revenues.

76. **Boston Housing Authority Court 05099**; Gallivan Boulevard Task Force vs. Boston Housing Authority, et al.; Boston Housing Authority; June 16 1989.

Effect of master-metering on consumption of natural gas and electricity. Legislative and regulatory mandates regarding conservation.

77. **MDPU 89-100**; Boston Edison Rate Case; Massachusetts Energy Office; June 30 1989.

Prudence of BECo’s decision of spend \$400 million from 1986–88 on returning the Pilgrim nuclear power plant to service. Projections of nuclear capacity factors, O&M, capital additions, and overhead. Review of decommissioning cost, tax effect of abandonment, replacement power cost, and plant useful life estimates. Requirements for prudence and used-and-useful analyses.

- 78. MDPU 88-123;** Petition of Riverside Steam and Electric Company; Riverside Steam and Electric; July 24 1989. Rebuttal, October 3 1989.

Reasonableness of Northeast Utilities' 1987 avoided cost estimates. Projections of nuclear capacity factors, economy purchases, and power plant operating life. Treatment of avoidable energy and capacity costs and of off-system sales. Expected versus reference fuel prices.

- 79. MDPU 89-72;** Statewide Towing Association, Police-Ordered Towing Rates; Massachusetts Automobile Rating Bureau; September 13 1989.

Review of study supporting proposed increase in towing rates. Critique of study sample and methodology. Comparison to competitive rates. Supply of towing services. Effects of joint products and joint sales on profitability of police-ordered towing. Joint testimony with I. Goodman.

- 80. Vermont PSB 5330;** Application of Vermont Utilities for Approval of a Firm Power and Energy Contract with Hydro-Quebec; Conservation Law Foundation, Vermont Natural Resources Council, Vermont Public Interest Research Group; December 19 1989. Surrebuttal February 6 1990.

Analysis of a proposed 450-MW, 20 year purchase of Hydro-Quebec power by twenty-four Vermont utilities. Comparison to efficiency investment in Vermont, including potential for efficiency savings. Analysis of Vermont electric energy supply. Identification of possible improvements to proposed contract.

Critique of conservation potential analysis. Planning risk of large supply additions. Valuation of environmental externalities.

- 81. MDPU 89-239;** Inclusion of Externalities in Energy Supply Planning, Acquisition and Dispatch for Massachusetts Utilities; December 1989; April 1990; May 1990.

Critique of Division of Energy Resources report on externalities. Methodology for evaluating external costs. Proposed values for environmental and economic externalities of fuel supply and use.

- 82. California PUC;** Incorporation of Environmental Externalities in Utility Planning and Pricing; Coalition of Energy Efficient and Renewable Technologies; February 21 1990.

Approaches for valuing externalities for inclusion in setting power purchase rates. Effect of uncertainty on assessing externality values.

- 83. Illinois Commerce Commission Docket 90-0038;** Proceeding to Adopt a Least Cost Electric Energy Plan for Commonwealth Edison Company; City of Chicago; May 25 1990. Joint rebuttal testimony with David Birr, August 14 1990.

Problems in Commonwealth Edison's approach to demand-side management. Potential for cost-effective conservation. Valuing externalities in least-cost planning.

- 84. Maryland PSC 8278;** Adequacy of Baltimore Gas & Electric's Integrated Resource Plan; Maryland Office of People's Counsel; September 18 1990.

Rationale for demand-side management, and BG&E's problems in approach to DSM planning. Potential for cost-effective conservation. Valuation of environmental externalities. Recommendations for short-term DSM program priorities.

- 85. Indiana Utility Regulatory Commission;** Integrated Resource Planning Docket; Indiana Office of Utility Consumer Counselor; November 1 1990.

Integrated resource planning process and methodology, including externalities and screening tools. Incentives, screening, and evaluation of demand-side management. Potential of resource bidding in Indiana.

- 86. MDPU 89-141, 90-73, 90-141, 90-194, and 90-270;** Preliminary Review of Utility Treatment of Environmental Externalities in October QF Filings; Boston Gas Company; November 5 1990.

Generic and specific problems in Massachusetts utilities' RFPs with regard to externality valuation requirements. Recommendations for corrections.

- 87. MEFSC 90-12/90-12A;** Adequacy of Boston Edison Proposal to Build Combined-Cycle Plant; Conservation Law Foundation; December 14 1990.

Problems in Boston Edison's treatment of demand-side management, supply option analysis, and resource planning. Recommendations of mitigation options.

- 88. Maine PUC 90-286;** Adequacy of Conservation Program of Bangor Hydro Electric; Penobscot River Coalition; February 19 1991.

Role of utility-sponsored DSM in least-cost planning. Bangor Hydro's potential for cost-effective conservation. Problems with Bangor Hydro's assumptions about customer investment in energy efficiency measures.

- 89. Virginia State Corporation Commission PUE900070;** Order Establishing Commission Investigation; Southern Environmental Law Center; March 6 1991.

Role of utilities in promoting energy efficiency. Least-cost planning objectives of and resource acquisition guidelines for DSM. Ratemaking considerations for DSM investments.

- 90. MDPU 90-261-A;** Economics and Role of Fuel-Switching in the DSM Program of the Massachusetts Electric Company; Boston Gas Company; April 17 1991.

Role of fuel-switching in utility DSM programs and specifically in Massachusetts Electric's. Establishing comparable avoided costs and comparison of electric and gas system costs. Updated externality values.

- 91. Private arbitration;** Massachusetts Refuseteck Contractual Request for Adjustment to Service Fee; Massachusetts Refuseteck; May 13 1991.

NEPCo rates for power purchases from the NESWC plant. Fuel price and avoided cost projections vs. realities.

- 92. Vermont PSB 5491;** Cost-Effectiveness of Central Vermont's Commitment to Hydro Quebec Purchases; Conservation Law Foundation; July 19 1991.

Changes in load forecasts and resale markets since approval of HQ purchases. Effect of HQ purchase on DSM.

- 93. South Carolina PSC 91-216-E;** Cost Recovery of Duke Power's DSM Expenditures; South Carolina Department of Consumer Affairs; September 13 1991. Surrebuttal October 2 1991.

Problems with conservation plans of Duke Power, including load building, cream skimming, and inappropriate rate designs.

- 94. Maryland PSC 8241, Phase II;** Review of Baltimore Gas & Electric's Avoided Costs; Maryland Office of People's Counsel; September 19 1991.

Development of direct avoided costs for DSM. Problems with BG&E's avoided costs and DSM screening. Incorporation of environmental externalities.

- 95. Bucksport Planning Board;** AES/Harriman Cove Shoreland Zoning Application; Conservation Law Foundation and Natural Resources Council of Maine; October 1 1991.

New England's power surplus. Costs of bringing AES/Harriman Cove on line to back out existing generation. Alternatives to AES.

- 96. MDPU 91-131;** Update of Externalities Values Adopted in Docket 89-239; Boston Gas Company; October 4 1991. Rebuttal, December 13 1991.

Updates on pollutant externality values. Addition of values for chlorofluorocarbons, air toxics, thermal pollution, and oil import premium. Review of state regulatory actions regarding externalities.

- 97. Florida PSC 910759;** Petition of Florida Power Corporation for Determination of Need for Proposed Electrical Power Plant and Related Facilities; Floridians for Responsible Utility Growth; October 21 1991.

Florida Power's obligation to pursue integrated resource planning and failure to establish need for proposed facility. Methods to increase scope and scale of demand-side investment.

- 98. Florida PSC 910833-EI;** Petition of Tampa Electric Company for a Determination of Need for Proposed Electrical Power Plant and Related Facilities; Floridians for Responsible Utility Growth; October 31 1991.

Tampa Electric's obligation to pursue integrated resource planning and failure to establish need for proposed facility. Methods to increase scope and scale of demand-side investment.

- 99. Pennsylvania PUC I-900005, R-901880;** Investigation into Demand Side Management by Electric Utilities; Pennsylvania Energy Office; January 10 1992.

Appropriate cost recovery mechanism for Pennsylvania utilities. Purpose and scope of direct cost recovery, lost revenue recovery, and incentives.

- 100. South Carolina PSC 91-606-E;** Petition of South Carolina Electric and Gas for a Certificate of Public Convenience and Necessity for a Coal-Fired Plant; South Carolina Department of Consumer Affairs; January 20 1992.

Justification of plant certification under integrated resource planning. Failures in SCE&G's DSM planning and company potential for demand-side savings.

- 101. MDPU 92-92;** Adequacy of Boston Edison's Street-Lighting Options; Town of Lexington; June 22 1992.

Efficiency and quality of street-lighting options. Boston Edison's treatment of high-quality street lighting. Corrected rate proposal for the Daylux lamp. Ownership of public street lighting.

- 102. South Carolina PSC 92-208-E;** Integrated Resource Plan of Duke Power Company; South Carolina Department of Consumer Affairs; August 4 1992.

Problems with Duke Power's DSM screening process, estimation of avoided cost, DSM program design, and integration of demand-side and supply-side planning.

- 103. North Carolina Utilities Commission E-100, Sub 64;** Integrated Resource Planning Docket; Southern Environmental Law Center; September 29 1992.

General principles of integrated resource planning, DSM screening, and program design. Review of the IRPs of Duke Power Company, Carolina Power & Light Company, and North Carolina Power.

- 104. Ontario Environmental Assessment Board Ontario Hydro Demand/Supply Plan Hearings;** *Environmental Externalities Valuation and Ontario Hydro's Resource Planning* (3 vols.); October 1992.

Valuation of environmental externalities from fossil fuel combustion and the nuclear fuel cycle. Application to Ontario Hydro's supply and demand planning.

- 105. Texas PUC 110000;** Application of Houston Lighting and Power Company for a Certificate of Convenience and Necessity for the DuPont Project; Destec Energy, Inc.; September 28 1992.

Valuation of environmental externalities from fossil fuel combustion and the application to the evaluation of proposed cogeneration facility.

- 106. Maine Board of Environmental Protection;** In the Matter of the Basin Mills Hydroelectric Project Application; Conservation Intervenors; November 16 1992.

Economic and environmental effects of generation by proposed hydro-electric project.

- 107. Maryland PSC 8473;** Review of the Power Sales Agreement of Baltimore Gas and Electric with AES Northside; Maryland Office of People's Counsel; November 16 1992.

Non-price scoring and unquantified benefits; DSM potential as alternative; environmental costs; cost and benefit estimates.

- 108. North Carolina Utilities Commission E-100, Sub 64;** Analysis and Investigation of Least Cost Integrated Resource Planning in North Carolina; Southern Environmental Law Center; November 18 1992.

Demand-side management cost recovery and incentive mechanisms.

- 109. South Carolina PSC 92-209-E;** In Re Carolina Power & Light Company; South Carolina Department of Consumer Affairs; November 24 1992.

DSM planning: objectives, process, cost-effectiveness test, comprehensiveness, lost opportunities. Deficiencies in CP&L's portfolio. Need for economic evaluation of load building.

- 110 Florida Department of Environmental Regulation** hearings on the Power Plant Siting Act; Legal Environmental Assistance Foundation, December 1992.

Externality valuation and application in power-plant siting. DSM potential, cost-benefit test, and program designs.

- 111. Maryland PSC 8487;** Baltimore Gas and Electric Company, Electric Rate Case; January 13 1993. Rebuttal Testimony: February 4 1993.

Class allocation of production plant and O&M; transmission, distribution, and general plant; administrative and general expenses. Marginal cost and rate design.

- 112. Maryland PSC 8179;** for Approval of Amendment No. 2 to Potomac Edison Purchase Agreement with AES Warrior Run; Maryland Office of People's Counsel; January 29 1993.

Economic analysis of proposed coal-fired cogeneration facility.

- 113. Michigan PSC U-10102;** Detroit Edison Rate Case; Michigan United Conservation A. Clubs; February 17 1993.

Least-cost planning; energy efficiency planning, potential, screening, avoided costs, cost recovery, and shareholder incentives.

- 114. Ohio PUC 91-635-EL-FOR, 92-312-EL-FOR, 92-1172-EL-ECP;** Cincinnati Gas and Electric demand-management programs; City of Cincinnati. April 1993.

DSM planning, program designs, potential savings, and avoided costs.

- 115. Michigan PSC U-10335;** Consumers Power Rate Case; Michigan United Conservation Clubs; October 1993.

Least-cost planning; energy efficiency planning, potential, screening, avoided costs, cost recovery, and shareholder incentives.

- 116. Illinois Commerce Commission 92-0268,** Electric-Energy Plan for Commonwealth Edison; City of Chicago. Direct testimony, February 1 1994; rebuttal, September 1994.

Cost-effectiveness screening of demand-side management programs and measures; estimates by Commonwealth Edison of costs avoided by DSM and of future cost, capacity, and performance of supply resources.

- 117. FERC 2422 et al.,** Application of James River–New Hampshire Electric, Public Service of New Hampshire, for Licensing of Hydro Power; Conservation Law Foundation; 1993.

Cost-effective energy conservation available to the Public Service of New Hampshire; power-supply options; affidavit.

- 118. Vermont PSB 5270-CV-1,-3, and 5686;** Central Vermont Public Service Fuel-Switching and DSM Program Design, on behalf of the Vermont Department of Public Service. Direct, April 1994; rebuttal, June 1994.

Avoided costs and screening of controlled water-heating measures; risk, rate impacts, participant costs, externalities, space- and water-heating load, benefit-cost tests.

- 119. Florida PSC 930548-EG–930551–EG,** Conservation goals for Florida electric utilities; Legal Environmental Assistance Foundation, Inc. April 1994.

Integrated resource planning, avoided costs, rate impacts, analysis of conservation goals of Florida electric utilities.

- 120. Vermont PSB 5724,** Central Vermont Public Service Corporation rate request; Vermont Department of Public Service. Joint surrebuttal testimony with John Plunkett. August 1994.

Costs avoided by DSM programs; Costs and benefits of deferring DSM programs.

- 121. MDPU 94-49,** Boston Edison integrated resource-management plan; Massachusetts Attorney General. August 1994.

Least-cost planning, modeling, and treatment of risk.

- 122. Michigan PSC U-10554,** Consumers Power Company DSM Program and Incentive; Michigan Conservation Clubs. November 1994.

Critique of proposed reductions in DSM programs; discussion of appropriate measurements of cost-effectiveness, role of DSM in competitive power markets.

- 123. Michigan PSC U-10702**, Detroit Edison Company Cost Recovery, on behalf of the Residential Ratepayers Consortium. December 1994.

Impact of proposed changes to DSM plan on energy costs and power-supply-cost-recovery charges. Critique of proposed DSM changes; discussion of appropriate measurements of cost-effectiveness, role of DSM in competitive power markets.

- 124. New Jersey Board of Regulatory Commissioners EM92030359**, Environmental costs of proposed cogeneration; Freehold Cogeneration Associates. November 1994.

Comparison of potential externalities from the Freehold cogeneration project with that from three coal technologies; support for the study “The Externalities of Four Power Plants.”

- 125. Michigan PSC U-10671**, Detroit Edison Company DSM Programs; Michigan United Conservation Clubs. January 1995.

Critique of proposal to scale back DSM efforts in light of potential for competition. Loss of savings, increase of customer costs, and decrease of competitiveness. Discussion of appropriate measurements of cost-effectiveness, role of DSM in competitive power markets.

- 126. Michigan PSC U-10710**, Power-supply-cost-recovery plan of Consumers Power Company; Residential Ratepayers Consortium. January 1995.

Impact of proposed changes to DSM plan on energy costs and power-supply-cost-recovery charges. Critique of proposed DSM changes; discussion of appropriate measurements of cost-effectiveness, role of DSM in competitive power markets.

- 127. FERC 2458 and 2572**, Bowater–Great Northern Paper hydropower licensing; Conservation Law Foundation. February 1995.

Comments on draft environmental impact statement relating to new licenses for two hydropower projects in Maine. Applicant has not adequately considered how energy conservation can replace energy lost due to habitat-protection or -enhancement measures.

- 128. North Carolina Utilities Commission E-100, Sub 74**, Duke Power and Carolina Power & Light avoided costs; Hydro-Electric–Power Producer’s Group. February 1995.

Critique and proposed revision of avoided costs offered to small hydro-power producers by Duke Power and Carolina Power and Light.

- 129. New Orleans City Council UD-92-2A and -2B**, Least-cost IRP for New Orleans Public Service and Louisiana Power & Light; Alliance for Affordable Energy. Direct, February 1995; rebuttal, April 1995.

Critique of proposal to scale back DSM efforts in light of potential competition.

- 130. DCPSC Formal 917, II, Prudence of DSM expenditures of Potomac Electric Power Company; Potomac Electric Power Company. Rebuttal testimony, February 1995.**
Prudence of utility DSM investment; prudence standards for DSM programs of the Potomac Electric Power Company.
- 131. Ontario Energy Board EBRO 490, DSM cost recovery and lost-revenue–adjustment mechanism for Consumers Gas Company; Green Energy Coalition. April 1995.**
DSM cost recovery. Lost-revenue–adjustment mechanism for Consumers Gas Company.
- 132. New Orleans City Council CD-85-1, New Orleans Public Service rate increase; Alliance for Affordable Energy. Rebuttal, May 1995.**
Allocation of costs and benefits to rate classes.
- 133. MDPU Docket DPU-95-40, Mass. Electric cost-allocation; Massachusetts Attorney General. June 1995.**
Allocation of costs to rate classes. Critique of cost-of-service study. Implications for industry restructuring.
- 134. Maryland PSC 8697, Baltimore Gas & Electric gas rate increase; Maryland Office of People’s Counsel. July 1995**
Rate design, cost-of-service study, and revenue allocation.
- 135. North Carolina Utilities Commission E-2, Sub 669. December 1995.**
Need for new capacity. Energy-conservation potential and model programs.
- 136. Arizona Commerce Commission U-1933-95-317, Tucson Electric Power rate increase; Residential Utility Consumer Office. January 1996.**
Review of proposed rate settlement. Used-and-usefulness of plant. Rate design. DSM potential.
- 137. Ohio PUC 95-203-EL-FOR; Campaign for an Energy-Efficient Ohio. February 1996**
Long-term forecast of Cincinnati Gas and Electric Company, especially its DSM portfolio. Opportunities for further cost-effective DSM savings. Tests of cost effectiveness. Role of DSM in light of industry restructuring; alternatives to traditional utility DSM.
- 138. Vermont PSB 5835; Vermont Department of Public Service. February 1996.**
Design of load-management rates of Central Vermont Public Service Company.
- 139. Maryland PSC 8720, Washington Gas Light DSM; Maryland Office of People’s Counsel. May 1996.**
Avoided costs of Washington Gas Light Company; integrated least-cost planning.

- 140. MDPU DPU 96-100; Massachusetts Utilities' Stranded Costs; Massachusetts Attorney General.** Oral testimony in support of "estimation of Market Value, Stranded Investment, and Restructuring Gains for Major Massachusetts Utilities," July 1996.
Stranded costs. Calculation of loss or gain. Valuation of utility assets.
- 141. MDPU DPU 96-70; Massachusetts Attorney General.** July 1996.
Market-based allocation of gas-supply costs of Essex County Gas Company.
- 142. MDPU DPU 96-60; Massachusetts Attorney General.** Direct testimony, July 1996; surrebuttal, August 1996.
Market-based allocation of gas-supply costs of Fall River Gas Company.
- 143. Maryland PSC 8725; Maryland Office of People's Counsel.** July 1996.
Proposed merger of Baltimore Gas & Electric Company, Potomac Electric Power Company, and Constellation Energy. Cost allocation of merger benefits and rate reductions.
- 144. New Hampshire PUC DR 96-150, Public Service Company of New Hampshire** stranded costs; New Hampshire Office of Consumer Advocate. December 1996.
Market price of capacity and energy; value of generation plant; restructuring gain and stranded investment; legal status of PSNH acquisition premium; interim stranded-cost charges.
- 145. Ontario Energy Board EBRO 495, LRAM and shared-savings incentive for DSM** performance of Consumers Gas; Green Energy Coalition. March 1997.
LRAM and shared-savings incentive mechanisms in rates for the Consumers Gas Company Ltd.
- 146. New York PSC Case 96-E-0897, Consolidated Edison restructuring plan; City of** New York. April 1997.
Electric-utility competition and restructuring; critique of proposed settlement of Consolidated Edison Company; stranded costs; market power; rates; market access.
- 147. Vermont PSB 5980, proposed statewide energy plan; Vermont Department of Public** Service. Direct, August 1997; rebuttal, December 1997.
Justification for and estimation of statewide avoided costs; guidelines for distributed IRP.
- 148. MDPU 96-23, Boston Edison restructuring settlement; Utility Workers Union of** America. September 1997.
Performance incentives proposed for the Boston Edison company.
- 149. Vermont PSB 5983, Green Mountain Power rate increase; Vermont Department of** Public Service. Direct, October 1997; rebuttal, December 1997.

In three separate pieces of prefiled testimony, addressed the Green Mountain Power Corporation's (1) distributed-utility-planning efforts, (2) avoided costs, and (3) prudence of decisions relating to a power purchase from Hydro-Quebec.

- 150. MDPU 97-63**, Boston Edison proposed reorganization; Utility Workers Union of America. October 1997.

Increased costs and risks to ratepayers and shareholders from proposed reorganization; risks of diversification; diversion of capital from regulated to unregulated affiliates; reduction in Commission authority.

- 151. MDTE 97-111**, Commonwealth Energy proposed restructuring; Cape Cod Light Compact. Joint testimony with Jonathan Wallach, January 1998.

Critique of proposed restructuring plan filed to satisfy requirements of the electric-utility restructuring act of 1997. Failure of the plan to foster competition and promote the public interest.

- 152. NH PUC Docket DR 97-241**, Connecticut Valley Electric fuel and purchased-power adjustments; City of Claremont, N.H. February 1998.

Prudence of continued power purchase from affiliate; market cost of power; prudence disallowances and cost-of-service ratemaking.

- 153. Maryland PSC 8774**; APS-DQE merger; Maryland Office of People's Counsel. February 1998.

Power-supply arrangements between APS's operating subsidiaries; power-supply savings; market power.

- 154. Vermont PSB 6018**, Central Vermont Public Service Co. rate increase; Vermont Department of Public Service. February 1998.

Prudence of decisions relating to a power purchase from Hydro-Quebec. Reasonableness of avoided-cost estimates. Quality of DU planning.

- 155. Maine PUC 97-580**, Central Maine Power restructuring and rates; Maine Office of Public Advocate. May 1998; Surrebuttal, August 1998.

Determination of stranded costs; gains from sales of fossil, hydro, and biomass plant; treatment of deferred taxes; incentives for stranded-cost mitigation; rate design.

- 156. MDTE 98-89**, purchase of Boston Edison municipal streetlighting, Towns of Lexington and Acton. Affidavit, August 1998.

Valuation of municipal streetlighting; depreciation; applicability of unbundled rate.

- 157. Vermont PSB 6107**, Green Mountain Power rate increase, Vermont Department of Public Service. Direct, September 1998; Surrebuttal drafted but not filed, November 2000.

Prudence of decisions relating to a power purchase from Hydro-Quebec. Least-cost planning and prudence. Quality of DU planning.

- 158. MDTE 97-120**, Western Massachusetts Electric Company proposed restructuring; Massachusetts Attorney General. Joint testimony with Jonathan Wallach, October 1998. Joint surrebuttal with Jonathan Wallach, January 1999.

Market value of the three Millstone nuclear units under varying assumptions of plant performance and market prices. Independent forecast of wholesale market prices. Value of Pilgrim and TMI-1 asset sales.

- 159. Maryland PSC 8794 and 8804**; BG&E restructuring and rates; Maryland Office of People's Counsel. Direct, December 1998; rebuttal, March 1999.

Implementation of restructuring. Valuation of generation assets from comparable-sales and cash-flow analyses. Determination of stranded cost or gain.

- 160. Maryland PSC 8795**; Delmarva Power & Light restructuring and rates; Maryland Office of People's Counsel. December 1998.

Implementation of restructuring. Valuation of generation assets and purchases from comparable-sales and cash-flow analyses. Determination of stranded cost or gain.

- 161. Maryland PSC 8797**; Potomac Edison Company restructuring and rates; Maryland Office of People's Counsel. Direct, January 1999; rebuttal, March 1999.

Implementation of restructuring. Valuation of generation assets and purchases from comparable-sales and cash-flow analyses. Determination of stranded cost or gain.

- 162. Connecticut DPUC 99-02-05**; Connecticut Light and Power Company stranded costs; Connecticut Office of Consumer Counsel. April 1999.

Projections of market price. Valuation of purchase agreements and nuclear and non-nuclear assets from comparable-sales and cash-flow analyses.

- 163. Connecticut DPUC 99-03-04**; United Illuminating Company stranded costs; Connecticut Office of Consumer Counsel. April 1999.

Projections of market price. Valuation of purchase agreements and nuclear assets from comparable-sales and cash-flow analyses.

- 164. Washington UTC UE-981627**; PacifiCorp–Scottish Power Merger, Office of the Attorney General. June 1999.

Review of proposed performance standards and valuation of performance. Review of proposed low-income assistance.

- 165. Utah PSC 98-2035-04**; PacifiCorp–Scottish Power Merger, Utah Committee of Consumer Services. June 1999.

Review of proposed performance standards and valuation of performance.

- 166. Connecticut DPUC 99-03-35;** United Illuminating Company proposed standard offer; Connecticut Office of Consumer Counsel. July 1999.

Design of standard offer by rate class. Design of price adjustments to preserve rate decrease. Market valuations of nuclear plants. Short-term stranded cost

- 167. Connecticut DPUC 99-03-36;** Connecticut Light and Power Company proposed standard offer; Connecticut Office of Consumer Counsel. Direct, July 1999; Supplemental, July 1999.

Design of standard offer by rate class. Design of price adjustments to preserve rate decrease. Market valuations of nuclear plants. Short-term stranded cost.

- 168. W. Virginia PSC 98-0452-E-GI;** electric-industry restructuring, West Virginia Consumer Advocate. July 1999.

Market value of generating assets of, and restructuring gain for, Potomac Edison, Monongahela Power, and Appalachian Power. Comparable-sales and cash-flow analyses.

- 169. Ontario Energy Board RP-1999-0034;** Ontario Performance-Based Rates; Green Energy Coalition. September 1999.

Rate design. Recovery of demand-side-management costs under PBR. Incremental costs.

- 170. Connecticut DPUC 99-08-01;** standards for utility restructuring; Connecticut Office of Consumer Counsel. Direct, November 1999; Supplemental January 2000.

Appropriate role of regulation. T&D reliability and service quality. Performance standards and customer guarantees. Assessing generation adequacy in a competitive market.

- 171. Connecticut Superior Court CV 99-049-7239;** Connecticut Light and Power Company stranded costs; Connecticut Office of Consumer Counsel. Affidavit, December 1999.

Errors of the CDPUC in deriving discounted-cash-flow valuations for Millstone and Seabrook, and in setting minimum bid price.

- 172. Connecticut Superior Court CV 99-049-7597;** United Illuminating Company stranded costs; Connecticut Office of Consumer Counsel. December 1999.

Errors of the CDPUC, in its discounted-cash-flow computations, in selecting performance assumptions for Seabrook, and in setting minimum bid price.

- 173. Ontario Energy Board RP-1999-0044;** Ontario Hydro transmission-cost allocation and rate design; Green Energy Coalition. January 2000.

Cost allocation and rate design. Net vs. gross load billing. Export and wheeling-through transactions. Environmental implications of utility proposals.

- 174. Utah PSC 99-2035-03;** PacifiCorp Sale of Centralia plant, mine, and related facilities; Utah Committee of Consumer Services. January 2000.
- Prudence of sale and management of auction. Benefits to ratepayers. Allocation and rate treatment of gain.
- 175. Connecticut DPUC 99-09-12;** Nuclear Divestiture by Connecticut Light & Power and United Illuminating; Connecticut Office of Consumer Counsel. January 2000.
- Market for nuclear assets. Optimal structure of auctions. Value of minority rights. Timing of divestiture.
- 176. Ontario Energy Board RP-1999-0017;** Union Gas PBR proposal; Green Energy Coalition. March 2000.
- Lost-revenue-adjustment and shared-savings incentive mechanisms for Union Gas DSM programs. Standards for review of targets and achievements, computation of lost revenues. Need for DSM expenditure true-up mechanism.
- 177. NY PSC 99-S-1621;** Consolidated Edison steam rates; City of New York. April 2000.
- Allocation of costs of former cogeneration plants, and of net proceeds of asset sale. Economic justification for steam-supply plans. Depreciation rates. Weather normalization and other rate adjustments.
- 178. Maine PUC 99-666;** Central Maine Power alternative rate plan; Maine Public Advocate. Direct, May 2000; Surrebuttal, August 2000.
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