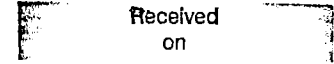


STATE OF KANSAS



BEFORE THE STATE CORPORATION COMMISSION

JUN 11 2012

by  
State Corporation Commission  
of Kansas

In the Matter of General Investigation )  
of Energy-Efficiency Policies for )  
Utility-Sponsored Energy-Efficiency )  
Programs )

Docket No. 12-GIMX-337-GIV

DIRECT TESTIMONY OF

PAUL CHERNICK

ON BEHALF OF

THE CLIMATE AND ENERGY PROJECT

Resource Insight, Inc.

JUNE 6, 2012

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Exhibit PLC-1

*Professional Qualifications of Paul Chernick*

1 **I. Identification**

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 St,  
4 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 electric generation plants and transmission lines, retrospective  
21 review of generation-planning decisions, ratemaking for plant under construc-  
22 tion, ratemaking for excess and/or uneconomical plant entering service, conser-  
23 vation program design, cost recovery for utility efficiency programs, the valua-  
24 tion of environmental externalities from energy production and use, allocation of  
25 costs of service between rate classes and jurisdictions, design of retail and

1 wholesale rates, and performance-based ratemaking and cost recovery in restruc-  
2 tured gas and electric industries. My professional qualifications are further  
3 summarized in Exhibit PLC-1.

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

5 A: Yes. I have testified more than 250 times on utility issues before various  
6 regulatory, legislative, and judicial bodies, including utility regulators in thirty  
7 states and five Canadian provinces, and two U.S. Federal agencies.

8 **Q: Have you testified previously regarding energy-efficiency programs?**

9 A: Yes. I have testified in at least 60 proceedings concerning utility-funded energy-  
10 efficiency efforts, as listed in my resume.

## 11 **II. Introduction and Summary**

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

13 A: My testimony is sponsored by the Climate and Energy Project.

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

15 A: I have been asked to provide information relevant to a set of issues raised by the  
16 questions from the Commission in its order of April 4, 2012. Specifically, I deal  
17 with the following four issues:

- 18 • The interactions between utility energy-efficiency programs and rate  
19 design, raised by parts of the Commission's Question C, including "(a)  
20 consumer and utility demand/desire for energy-efficiency...programs" and  
21 "(c) the impact that energy price levels in Kansas have on incentives."  
22 These interactions are also suggested in the Commission's Order in Docket  
23 No. 08-GIMX-442 (at 21): "The Commission believes dynamic pricing is a  
24 critical component of energy-efficiency programming."

- 1       • The role of energy efficiency in a capacity surplus, raised in the  
2       Commission’s Question C, part (b): “the impact that excess generating  
3       capacity has on incentives” for energy efficiency.
- 4       • Rate and bill effects of energy efficiency and the use of the RIM test. The  
5       Commission’s Questions A and B ask for input on “uncertainties or  
6       ambiguities in the Commission’s orders, rules and regulations” and  
7       “Commission orders, rules and regulations, or practices” that “inhibit the  
8       offering of energy-efficiency....” Such ambiguity is raised by The  
9       Commission’s order in Docket No. 08-GIMX-442, which requires the  
10      utilities to file the RIM test, along with three or four other tests, and does  
11      not explain how the various results should be treated.<sup>1</sup>
- 12      • The role of fuel switching within energy-efficiency portfolios is another  
13      area of ambiguity, as illustrated in the utility comments in this docket. The  
14      Commission has instructed utilities to “offer energy-efficiency programs in  
15      a manner that does not bias users toward a particular fuel source” (Docket  
16      No. 09-GIMX-160-GIV Order of February 15, 2012, at 7), which could  
17      prevent utilities from using fuel-switching to reduce their loads and total  
18      customer energy costs.
- 19      • The Commission has introduced uncertainty regarding the potential scale  
20      of energy-efficiency programs by stating that it “is confident that energy  
21      efficiency is unlikely to replace generation as the primary means of  
22      providing new power” (Order in Docket No. 08-GIMX-441, at 31)

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<sup>1</sup>The other tests are the Total Resource Cost, Utility Cost, and Societal Tests, all of which are relevant in program screening and review of incentive levels, and the Participant Test, which purports to evaluate the attractiveness of the program to potential participants. In fact, the Participant Test does not reflect the decision-making of real consumers.

1 **Q: What are your recommendations to the Commission?**

2 **A:** I recommend that the Commission should take the following steps:

- 3 • Pursue both energy-efficiency programs and rate design that encourages  
4 energy efficiency, while understanding that those are complementary  
5 approaches, rather than alternatives.
- 6 • Pursue cost-effective energy-efficiency programs, regardless of whether  
7 Kansas is a net seller of capacity in the short term.
- 8 • Require meaningful analysis of the aggregate rate and bill effects of  
9 energy-efficiency programs, and not rely on the RIM test for any purpose.
- 10 • Encourage utilities to use fuel-switching to reduce their loads, where that  
11 option maximizes cost-effective load reductions, while prohibiting the use  
12 of energy-efficiency programs to build the load of the implementing utility.
- 13 • Encourage utilities to capture all cost-effective energy efficiency, regard-  
14 less of whether the resulting savings exceed load growth.

15 **III. Rate Design, Utility Programs, and Energy Efficiency**

16 **Q: Are utility energy-efficiency programs redundant with efficient rate design,  
17 in the promotion of efficiency by consumers?**

18 **A:** No. Utility energy-efficiency programs address primarily investments and are  
19 designed to overcome a wide range of barriers to customer adoption of high-  
20 efficiency equipment and building design. Depending on the customer's class  
21 and individual characteristics, these barriers include

- 22 • information,
- 23 • conflicting requirements for time and capital,
- 24 • institutional barriers (such as decisions made by landlords, designers, and  
25 contractors, or bureaucratic hurdles within companies and agencies), and

- 1       • market barriers (lack of ready availability of efficient equipment and sur-  
2       charges for ordering non-standard equipment).

3       Rate design is not particularly effective at overcoming these barriers. Even  
4       in areas with very high electricity rates, such as New York City and Hawaii,  
5       utilities and regulators have found that customers have left large amounts of  
6       cost-effective energy efficiency unutilized until energy-efficiency programs  
7       were implemented. Even if the Commission were willing to implement steeply  
8       inclining-block rates, it is unrealistic to expect rate design in Kansas, with  
9       average residential rates of about 10¢/kWh, to achieve a higher level of rate-  
10      driven efficiency than that observed in Hawaii, Connecticut, New York,  
11      Massachusetts, Vermont, New Hampshire, New Jersey, and other states with  
12      residential rates of 15–30¢/kWh and significant energy-efficiency programs.<sup>2</sup>

13   **Q: Is rate design irrelevant in the presence of efficiency programs?**

14   A: No. Energy-efficiency programs are very effective in encouraging investments,  
15      and can sometimes assist in establishing efficient operations (such as setting up  
16      new control systems and training staff). However, they have little ability to  
17      encourage further or continuing improvements in maintenance or operation, as  
18      simple as turning off equipment that is not being used and as complicated as  
19      fine-tuning operating schedules. Higher tail-block energy rates, time-of-use  
20      energy rates, and real-time pricing (including such variations as variable-peak  
21      pricing and critical-peak pricing) can provide incentives that energy-efficiency  
22      programs cannot.

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<sup>2</sup>These states also have average commercial and industrial rates that are from 50% to more than 100% higher than Kansas's rates for those classes, although varying mixtures of customers make these comparisons more difficult than for residential rates.

1           In addition, moving cost recovery from fixed charges (customer charges  
2           and demand charges) to tail-block energy prices reduces the rebates and other  
3           incentives that the utility must pay to make an energy-efficiency incentive  
4           attractive to customers. Many businesses and institutions impose very strict pay-  
5           back requirements on any discretionary investments, including energy effi-  
6           ciency. Households and small businesses also tend to use payback periods as a  
7           guide to investments. If a customer is willing to invest two years of savings in  
8           an energy-efficiency measure, a rate design that increases the customer's  
9           savings from load reductions by 50% will similarly increase the amount the  
10          customer is willing to pay and reduce the rebate paid by the utility the same  
11          energy savings.

#### 12   **IV. The Benefits of DSM with a Capacity Surplus**

13   **Q: Does the existence of a capacity surplus in Kansas eliminate the benefits of**  
14   **energy-efficiency programs?**

15   A: No. Energy efficiency has many benefits, including

- 16       • avoiding fuel costs;
- 17       • avoiding variable O&M, including the costs of operating existing  
18       environmental control equipment (e.g., SCR ammonia and catalyst  
19       replacement, scrubber limestone);
- 20       • avoiding power purchases;
- 21       • increasing energy sales to other utilities, including exports to other states;
- 22       • increasing the ability of Kansas utilities to sell firm capacity to other  
23       utilities for longer periods;
- 24       • avoiding some environmental upgrades that would otherwise be required  
25       by emission caps (such as the CSAPR program);



- 1       • avoiding some environmental upgrades and life-extension investments for  
2       plants that are not needed with lower load;
- 3       • avoiding some capital investments for plants that can be relegated to  
4       infrequent peaking operation, in which equipment wears out slower and  
5       lower efficiency and higher fuel costs are tolerable;
- 6       • reducing line losses for both energy and peak demand;
- 7       • reducing SPP's allocation of transmission costs to Kansas utilities;
- 8       • avoiding transmission investments (lines, substations, transformers, and  
9       capacitors) that would be otherwise be required by load growth;
- 10      • avoiding distribution investments (e.g., new feeders and substations,  
11      reconductoring of feeders, increases in feeder voltage, addition of line  
12      transformers, selection of larger transformers, upgrading services) that  
13      would be otherwise be required by load growth;
- 14      • delaying replacement of equipment (substation transformers, line trans-  
15      formers, and underground lines) that wear out faster when higher peak  
16      loads and load factors overheat insulation.

17           All of these benefits can be realized even if the utility does not need any  
18      new capacity.

19      **Q: Do any recent Commission decisions indicate that the generation costs you**  
20      **listed above are significant in Kansas?**

21      A: Yes. In August 2011, the Commission approved the predetermination of rate-  
22      making principles and treatment for \$1.23 billion (plus AFUDC and property  
23      taxes) in environmental upgrades for La Cygne Units 1 and 2, or nearly  
24      \$1,000/kW (Docket No. 11-KCPE-581-PRE, Order of August 19 2011). While the  
25      economic analyses supporting this decision are all confidential, I assume that the  
26      Commission took into account at least the recovery, return and taxes on the

1 \$1.23 billion environmental project, \$230–\$335 million for cooling towers  
2 around 2021 (Docket No. 11-KCPE-581-PRE, Order of October 5, 2012), and the  
3 continuing routine capital additions required for all large steam plants. I expect  
4 that these analyses included fuel, variable, and fixed operating and maintenance  
5 costs for the existing plant (which totaled about \$18/MWh in 2010) variable and  
6 fixed O&M for the environmental controls; emissions allowances for the plant's  
7 remaining emissions, including uncertain future carbon emission limits; and  
8 property taxes on the entire plant. I assume that the Commission was convinced  
9 that the value of the retrofitted La Cygne plant exceeded this total cost.

10 All else equal, a kilowatt-hour of energy efficiency would have an even  
11 greater value than one kilowatt-hour of output from La Cygne. Energy effi-  
12 ciency has the following advantages:

- 13 • Efficiency avoids the line losses and transmission-and-distribution costs I  
14 identify above.
- 15 • While La Cygne produces energy more-or-less evenly over the hours of the  
16 year, energy-efficiency tends to save energy when it is used, which is more  
17 heavily concentrated in the high-load, high-priced hours. The energy  
18 avoided by energy-efficiency programs (fuel, variable O&M, purchased  
19 power and foregone sales) is thus more valuable than the energy produced  
20 by a baseload plant.
- 21 • A kilowatt of energy efficiency at the peak hour reduces the utility peak,  
22 and hence the company's obligations to SPP to provide a kilowatt of capa-  
23 city and the associated 13.6% reserve margin. A kilowatt of power plant  
24 provides a kilowatt of capacity but no additional reserve margin.
- 25 • Efficient end-use equipment reduces load whenever the equipment is in  
26 use. (When the equipment is not in use, it uses no energy at all.) At peak  
27 summer periods, and especially at exceptionally hot, high-load hours,

1           efficient air-conditioning and chilling equipment produces even greater  
2           savings. In contrast, power plants are sometimes unavailable due to main-  
3           tenance and equipment failures, and load does not decrease when the plant  
4           goes down. At particularly hot, high-load hours, thermal power plants tend  
5           to be less efficient and produce less power; the problem for steam plants  
6           (including La Cygne) is even greater during drought conditions, which  
7           does not affect most efficiency measures.

8   **Q: Is there likely to be demand for power from other utilities in SPP and**  
9   **adjacent areas?**

10  **A:** Yes. Other SPP utilities are planning plants to accommodate the retirement and  
11  derating of coal plants, plus load growth. For example, Southwest Electric  
12  Power has projected needs for 100 MW of purchases in 2016–2017, followed by  
13  construction of a new 600-MW combined-cycle plant in 2020, plus another in  
14  2016 if the Flint Creek coal plant is retired (Docket No. 12-008-U Exhibits SCW-  
15  3 and SCW-6). Similarly, the Oklahoma Gas & Electric 2011 IRP projects a need  
16  for new capacity in 2022.

17           The North American Electric Reliability Corporation (NERC) projects that  
18  environmental regulations will result in up to 285 MW of coal capacity and  
19  2,523 MW of gas and oil-fired capacity, in addition to as much as 400 MW lost  
20  from derating associated with environmental retrofits. These changes would  
21  reduce SPP's anticipated reserve margin to 18.6%, while the neighboring Entergy  
22  region reserve would fall to 0%. This would mean a combined reserve margin of  
23  12.5%, which is less than the 13.6% target reserve margin (2011 Long-Term  
24  Reliability Assessment, Tables 43–45). In addition, SWEPCo has announced the  
25  retirement of the 530-MW Welch 2 coal unit in 2015 and Public Service of

1 Oklahoma has announced the retirement of the 473-MW Northeastern-1 coal  
2 unit in 2017 and the phase-out of the matching unit 2 from 2017 through 2026.

3 Considerable effort has been expended to facilitate the development of  
4 additional transmission, both regulated and merchant, to move wind energy  
5 from the Plains states, including Kansas, to the Midwest, Southeast and poten-  
6 tially on to the Northeast. Those transmission lines are likely to open additional  
7 markets for Kansas generators, supplementing and firming the wind energy.

8 To the extent that Kansas utilities have excess capacity, they are likely to  
9 find markets for that capacity, which will increase the benefit to Kansas  
10 ratepayers of reduced load.

#### 11 **V. Measuring Rate and Bill Effects**

12 **Q: Is it appropriate to examine the effects of energy-efficiency programs on**  
13 **customer rates and bills?**

14 **A:** Yes. As utilities ramp up energy-efficiency efforts to significant levels, the rate-  
15 payer impacts of the energy-efficiency portfolio should be examined carefully to  
16 flag any equity problems or disruptive rate shifts. If important inequities are  
17 identified in distribution of benefits and costs of energy-efficiency programs  
18 across classes, or among customers of varying sizes and types (e.g., space-  
19 heating versus other residential customers), the utility and the Commission  
20 should correct the incidence of benefits (by emphasizing programs and delivery  
21 mechanisms that address underserved groups) and/or cost allocation (by chang-  
22 ing the recovery of costs across classes, seasons, sales blocks, and other billing  
23 determinants).

24 More broadly, the equity effect of an energy-efficiency program depends  
25 on the following factors:

- 1       • whether the customer group served by the program is otherwise served
- 2       more or less than other groups;
- 3       • whether the customer group served by the program is more in need of
- 4       assistance to overcome the barriers to efficiency;
- 5       • whether the program is available to a large group of customers;
- 6       • whether the magnitude of the program results in a significant rate effect;
- 7       • the extent to which the program permanently transforms markets, so that
- 8       higher-efficiency equipment and designs become standard practice and
- 9       even non-participants in the program wind up with better equipment and
- 10      lower bills.

11           Energy-efficiency programs are not the only utility activities that result in  
12 rate effects. Many utility investments, including most cost-effective generation  
13 plants, raise bills in the short term and reduce bills over the longer term. Invest-  
14 ments made to accommodate fast-growing customers and classes often increase  
15 bills to slower-growing customers. The costs of investments that reduce fuel and  
16 purchased-power costs are often allocated among customer classes very differ-  
17 ently than the costs the investments avoid. The Commission tolerates these  
18 distributional effects to minimize costs and maximize benefits to customers as a  
19 whole over time.

20   **Q: Is the Rate Impact Measure (RIM) a useful metric to assess the equity of the**  
21   **energy-efficiency portfolio?**

22   **A:** No. The RIM is a very crude metric, invented in the 1970s, the very early days of  
23 utility energy-efficiency programs. The RIM has been rejected by utilities and  
24 regulators serious about promoting energy efficiency because it does a poor job  
25 of measuring rate effects (its stated purpose), and a worse job of measuring the  
26 fairness or equity of an energy-efficiency portfolio. The RIM has in the past been

1 an excuse not to pursue energy-efficiency; whenever lost revenues exceed  
2 avoided costs, almost all efficiency efforts would fail the RIM.

3 The RIM is the ratio of two present values over the measure lifetime: the  
4 present value of avoided costs divided by the sum of utility costs and lost  
5 revenues. The RIM does not fulfill any of the following analyses:

- 6 • reflecting the effect of energy-efficiency programs on customer bills,
- 7 • estimating the effects on the various rate classes,
- 8 • determining whether the rate effects of particular measures or programs are  
9 increasing or decreasing the fairness of the distribution of net benefits  
10 among classes,
- 11 • estimating rate or bill effects by year.

12 **Q: Is the RIM used in program or measure screening in any jurisdiction with**  
13 **significant energy-efficiency programs?**

14 A: Not that I am aware of. So far as I can tell, even California, which originated the  
15 RIM, has never used it in any substantive manner.

16 **Q: Does any jurisdiction use a test like the RIM to screen other activities, such**  
17 **as supply additions and rate design?**

18 A: Not that I am aware of. No other utility activity is singled out for comparable  
19 treatment.

20 **Q: What are the specific problems with the RIM test as a metric for efficiency?**

21 A: I have identified seven distinct problems with the RIM. First, the RIM does not  
22 project percentage changes in rates and bills, or any other measure that would be  
23 useful to a decision maker concerned about rate levels. For example, in its 2005  
24 resource plan report, British Columbia Hydro identified seven programs with  
25 RIM ratios of 0.6 or 0.7, which looks like a very serious rate effect. In fact,  
26 Hydro determined that those programs would have miniscule effects on rate,

1 ranging from 0.0002¢/kWh to 0.0089¢/kWh.<sup>3</sup> According to this analysis, even  
2 the program with the largest effect on rates would increase rates less than 1/100 of  
3 a cent per kilowatt-hour. Any non-participants who chose to participate in any of  
4 Hydro's efficiency program would almost certainly save more than the  
5 miniscule costs that might be shifted to them by low-RIM programs.

6 Second, the RIM purports to measure the effect of a utility action on rates.  
7 Programs passing the Utility Cost Test and Total Resource Cost Test will  
8 generally reduce the present value of total revenue requirements, average utility  
9 bills, and total costs of energy services, including the costs paid directly by  
10 participants. Thus, even if rates rise, energy consumption will fall by a larger  
11 percentage, resulting in a net decrease in bills. The Commission and utilities  
12 should be striving to reduce the total dollars that customers are paying for their  
13 energy services, not necessarily the rate per kilowatt-hour. After all, consumers  
14 write checks for bills, not for rates. And reducing bills will leave customers with  
15 more income to spend on other needs, while reducing the cost of doing business  
16 and increasing the economic competitiveness of the state's industries.

17 Third, the RIM does not indicate how the program affects each rate class.  
18 Depending on the recovery mechanisms for energy-efficiency costs and lost  
19 revenues, and on the allocation of the avoided costs, any overall rate increase  
20 may be isolated to the rate classes using the program. If all customers in the  
21 class can participate in the programs, everyone's bills may be lower, even if  
22 their rates are higher.

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<sup>3</sup>Note that these rate impacts are described in cents, not dollars. Because these rate effects are much smaller than the Commission would normally see, it may be useful to restate them as \$0.000002/kWh to \$0.000089/kWh, or \$0.002/MWh to \$0.089/MWh.

1 Fourth, the RIM does not measure rate and bill effects well because the  
2 magnitude of the rate effects of any utility action depend on the timing and  
3 magnitude of the program, and cannot be usefully measured on a project-  
4 specific or measure-specific basis. The RIM is a rough measure of only the  
5 average effect on rates, over a long period of time.

6 Fifth, the non-participants in one program may be participants in other  
7 programs, and non-participants in the first year may be participants in later  
8 years. Over time, portfolios of energy-efficiency programs should be designed  
9 to offer direct benefits to as many customers as feasible. If the RIM is used to  
10 reject many programs, more customers will be non-participants and be more  
11 likely to pay more than they save from energy-efficiency programs, at least for  
12 some years. Estimates of rate, bill and equity effects are only meaningful on a  
13 portfolio basis.

14 Sixth, the energy-efficiency option that most conclusively fails the RIM  
15 may also increase the equity of the portfolio. For example, suppose that a  
16 program targeting refrigeration and cooking use of small restaurants has a RIM  
17 benefit/cost test of less than 1.0. For that segment of the small-commercial class,  
18 this may be the only program in which the customers can participate in a major  
19 way. Hence, even if the program increases rates for non-restaurant small-  
20 commercial customers, it would help to balance the portfolio by ensuring that all  
21 portions of the class have access to significant savings.

22 Finally, a serious defect of the RIM test is that it disproportionately focuses  
23 on the small near-term rate impacts of energy-efficiency programs while entirely  
24 ignoring the much larger rate impacts associated with future large capital invest-  
25 ments in new generation assets. It is clear that that effective energy-efficiency  
26 program can minimize or defer the necessity for such large capital investments.

27 As such, any near-term small rate impacts associated with energy-efficiency



1 programs can be an effective tool for minimizing ratepayer (and overall macro-  
2 economic) exposure to much-larger double-digit rate increases associated with  
3 multi-billion-dollar capital-construction projects.

4 Avoiding adverse effects on groups of customers is certainly an important  
5 consideration for utilities and the Commission. Those effects can be better  
6 assessed by analyses such as those performed by BC Hydro, or more detailed  
7 analyses of rates that would be charged to specific customer groups, rather than  
8 the uninformative RIM test.

## 9 VI. Energy Efficiency and Fuel Switching

10 **Q: What is the historical role of utility fuel-switching programs?**

11 **A:** Historically, gas and electric utilities largely approached fuel-switching as an  
12 issue of competition between their industries, rather than as part of their  
13 responsibility to serve their customers at minimum cost and promote energy  
14 efficiency. Each utility attempted to attract load to its energy source, to increase  
15 rate base and revenues.

16 **Q: How do you view fuel switching as an energy-efficiency measure?**

17 **A:** In general, energy-efficiency programs should be fuel-blind. If the total resource  
18 cost of providing an energy service (e.g., space heating) can be minimized by  
19 changing the fuel source, that efficiency measure should be implemented. The  
20 marginal costs of electricity and gas should be treated equally, along with all  
21 other costs: capital investments, O&M, water, and other costs that the Commis-  
22 sion may choose to include in the TRC and Utility Benefit-Cost Tests.

23 This balanced treatment of costs—using avoided or marginal costs for all  
24 fuels—is most important in the evaluation of fuel-switching measures, but it is  
25 also important in evaluating measures that conserve multiple fuels and in

1 reflecting the incidental effects of energy-efficiency measures on non-targeted  
2 fuels. For example, duct sealing reduces energy use for both summer cooling  
3 and winter heating. High-efficiency gas equipment may use more electricity  
4 than lower-efficiency systems, while reducing electricity waste heat from lights  
5 and appliances will tend to increase gas heating loads.

6 **Q: Should gas utilities thus include in their energy-efficiency programs incen-**  
7 **tives for the conversion of electric end-uses to gas?**

8 A: No. Reducing the costs of energy services for electric customers is the responsi-  
9 bility of the electric utilities, while reducing the costs of energy services for  
10 natural-gas customers is the responsibility of the gas utilities. Fuel-switching  
11 from electricity to gas should be included as eligible measures within the elec-  
12 tric-utility energy-efficiency programs, while fuel-switching from gas to electri-  
13 city should be included as eligible measures within the gas-utility energy-  
14 efficiency programs.

15 Fuel-switching measures should only be included in energy-efficiency  
16 programs where they are cost-effective.

17 **Q: Why would there be cost-effective options for both electric-to-gas and gas-**  
18 **to-electric fuel switching?**

19 A: The least-cost option will vary with the energy service that the consumer desires.  
20 Natural gas tends to have a substantial cost advantage over electricity, where the  
21 electricity would be used to produce heat through resistance, as in space heating  
22 and conventional water heating. In many cases, the incremental cost of electric  
23 energy is determined by the cost of gas burned in a central power plant (at close  
24 to 50% efficiency in a new combined-cycle plant, 30% in a steam boiler or a  
25 new combustion turbine, and even lower efficiencies in old peakers), plus the

1 losses in the transmission and distribution system.<sup>4</sup> Under some circumstances,  
2 the cost advantage for gas may be offset by increased efficiency of the electric  
3 end use, especially with high-efficiency heat pumps.

4 On the other hand, electricity can accomplish many tasks more efficiently  
5 than natural gas. For example, in industrial processes that must remove water  
6 from solutions or mixtures, the total cost of using electricity to freeze the water  
7 for removal may be less than the cost of using natural gas to boil off the water.

8 The economics of fuel choice are also affected by the time pattern of the  
9 end use. Winter uses, such as space heating, are off the electric system peak and  
10 on the gas system peak. The cost of gas at the city gate or burner tip will be  
11 similar for the two fuels. However, the natural-gas utility may have relatively  
12 high avoidable local T&D costs, while the winter avoidable capacity costs for  
13 the electric utility (generation, transmission and distribution) may be low,  
14 depending on the penetration of space heating. Cooling loads, on the other hand,  
15 fall heavily on the electric system distribution peaks but occur at a low-load  
16 time for the gas system.

17 **Q: Is the concept of full fuel-cycle efficiency relevant to whether fuel-switching**  
18 **should be included as an energy-efficiency measure?**

19 **A:** Not really. Fuel-cycle efficiency analysis will often identify options for cost-  
20 effective fuel switching. However, the real question is economic: what is the  
21 least-cost solution to providing the energy service, given the marginal or  
22 avoided costs for the two fuels delivered to the end use, the cost and efficiencies  
23 of the end use equipment, and the additional values that the Commission may  
24 choose to include in the cost-benefit analysis.

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<sup>4</sup>Utilities often must incur additional capital and operating costs to achieve higher efficiency at the generator.

1 **Q: What should be the roles of the various utilities in fuel-switching?**

2 A: Electric utilities should include electric-to-gas fuel-switching in their energy-  
3 efficiency portfolios and offer incentives to facilitate those measures, on the  
4 same basis as other measures.<sup>5</sup> Similarly, natural-gas utilities should include  
5 gas-to-electric fuel-switching in their energy-efficiency portfolios and offer  
6 incentives to facilitate those measures, on the same basis as other measures.

7 Utilities should not mix together their energy-efficiency programs and  
8 marketing or growth-related programs. It would be far too easy for the marketing  
9 programs to subvert the energy-efficiency programs, which have much greater  
10 potential benefit for consumers.<sup>6</sup> To the extent that the utility can prudently  
11 promote or subsidize some growth-related effort, it should be allowed to do so,  
12 but separately from the energy-efficiency programs. For example, a gas utility  
13 may be able to demonstrate that the costs of serving cooling or dehumidification  
14 loads with gas is less than its rates, due to the highly off-peak nature of those  
15 end uses. In that case, the gas utility could offer incentives (or a lower rate) for  
16 gas cooling, supplementing (and reducing the need for) the electric-utility  
17 incentives.

18 **Q: What priority should the Commission assign to fuel switching in the**  
19 **development of energy-efficiency programs?**

20 A: In most situations, development of high-quality energy-efficiency programs  
21 within a fuel source should be prioritized before fuel switching. The utilities

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<sup>5</sup>In general, measure incentives should be set to encourage customers to select the least-cost alternative, while remaining supportive of customers who prefer some intermediate efficiency option.

<sup>6</sup>Energy-efficiency programs may also be helpful in supporting economic-development efforts, offering new customers lower electric bills through higher efficiency.

1 should aggressively pursue the unambiguous benefits from the following  
2 programs and measures:

- 3 • avoiding lost opportunities in new construction, renovation, and routine  
4 equipment replacement; retrofitting boilers, lighting, motors, HVAC and pumps;
- 5 • tightening building shells and sealing ducts,
- 6 • insulating water heaters, pipes, ducts, and building envelopes.

7 Fuel-switching components of energy-efficiency programs can be developed  
8 while the utilities are capturing those efficiency savings.

## 9 VII. Potential Scale of Energy-Efficiency Savings

10 **Q: Please discuss the Commission's statement that it "is confident that energy  
11 efficiency is unlikely to replace generation as the primary means of  
12 providing new power."**

13 A: This statement is ambiguous. The Commission may mean that it expects  
14 development of renewables will provide even more energy over the next several  
15 years than energy-efficiency programs will save. If this is the Commission's  
16 intent, and both renewable and efficiency programs are extensive, it would be a  
17 perfectly reasonable result.

18 On the other hand, the Commission's statement may be read as suggesting  
19 that the increase in energy generation from conventional resources (mostly coal  
20 and gas) will always provide more energy than the energy-efficiency programs  
21 can save. That would be an unfortunate interpretation, and the Commission  
22 should clarify it.

23 **Q: How much energy can efficiency programs save?**

24 A: California, Vermont, Massachusetts, Rhode Island, Nova Scotia, and the North-  
25 west Power Planning Council have achieved or are planning incremental savings

1 of 1.5% to 2.5% per year over multiple years. For comparison, Kansas retail  
2 electric sales increased an average of 1.6% from 2000 to 2007 (before the  
3 recession) and 1.2% from 2000 to 2011. It is not out of the question that the  
4 Kansas utilities could provide a majority, and perhaps all, of its new power  
5 needs with existing resources freed up by energy-efficiency programs.

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

7 **A: Yes.**

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**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.

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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.

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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 to 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 Refusetech Contractual Request for Adjustment to Service Fee; Massachusetts Refusetech; 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 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 A. 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.

Likely merger savings. Savings and rate reductions from recent mergers. Implications for rates.

- 179. MEFSB 97-4;** MMWEC gas-pipeline proposal; Town of Wilbraham, Mass. June 2000.

Economic justification for natural-gas pipeline. Role and jurisdiction of EFSB.

- 180. Connecticut DPUC 99-09-03;** Connecticut Natural Gas Corporation Merger and Rate Plan; Connecticut office of Consumer Counsel. September 2000.

Performance-based ratemaking in light of mergers. Allocation of savings from merger. Earnings-sharing mechanism.

- 181. Connecticut DPUC 99-09-12RE01;** Proposed Millstone Sale; Connecticut Office of Consumer Counsel. November 2000.

Requirements for review of auction of generation assets. Allocation of proceeds between units.

- 182. MDTE 01-25;** Purchase of Streetlights from Commonwealth Electric; Cape Light Compact. January 2001

Municipal purchase of streetlights; Calculation of purchase price under state law; Determination of accumulated depreciation by asset.

- 183. Connecticut DPUC 00-12-01 and 99-09-12RE03;** Connecticut Light & Power rate design and standard offer; Connecticut Office of Consumer Counsel. March 2001.

Rate design and standard offer under restructuring law; Future rate impacts; Transition to restructured regime; Comparison of Connecticut and California restructuring challenges.

- 184. Vermont PSB 6460 & 6120;** Central Vermont Public Service rates; Vermont Department of Public Service. Direct, March 2001; Surrebuttal, April 2001.

Review of decision in early 1990s to commit to long-term uneconomic purchase from Hydro Québec. Calculation of present damages from imprudence.

- 185. New Jersey BPU EM00020106;** Atlantic City Electric Company sale of fossil plants; New Jersey Ratepayer Advocate. Affidavit, May 2001.

Comparison of power-supply contracts. Comparison of plant costs to replacement power cost. Allocation of sales proceeds between subsidiaries.



- 186. New Jersey BPU GM00080564; Public Service Electric and Gas transfer of gas supply contracts; New Jersey Ratepayer Advocate. Direct, May 2001.**  
Transfer of gas transportation contracts to unregulated affiliate. Potential for market power in wholesale gas supply and electric generation. Importance of reliable gas supply. Valuation of contracts. Effect of proposed requirements contract on rates. Regulation and design of standard-offer service.
- 187. Connecticut DPUC 99-04-18 Phase 3, 99-09-03 Phase 2; Southern Connecticut Natural Gas and Connecticut Natural Gas rates and charges; Connecticut Office of Consumer Counsel. Direct, June 2001; Supplemental, July 2001.**  
Identifying, quantifying, and allocating merger-related gas-supply savings between ratepayers and shareholders. Establishing baselines. Allocations between affiliates. Unaccounted-for gas.
- 188. New Jersey BPU EX01050303; New Jersey electric companies' procurement of basic supply; New Jersey Ratepayer Advocate. August 2001.**  
Review of proposed statewide auction for purchase of power requirements. Market power. Risks to ratepayers of proposed auction.
- 189. NY PSC 00-E-1208; Consolidated Edison rates; City of New York. October 2001.**  
Geographic allocation of stranded costs. Locational and postage-stamp rates. Causation of stranded costs. Relationship between market prices for power and stranded costs.
- 190. MDTE 01-56, Berkshire Gas Company; Massachusetts Attorney General. October 2001.**  
Allocation of gas costs by load shape and season. Competition and cost allocation.
- 191. New Jersey BPU EM00020106; Atlantic City Electric proposed sale of fossil plants; New Jersey Ratepayer Advocate. December 2001.**  
Current market value of generating plants vs. proposed purchase price.
- 192. Vermont PSB 6545; Vermont Yankee proposed sale; Vermont Department of Public Service. Direct, January 2002.**  
Comparison of sales price to other nuclear sales. Evaluation of auction design and implementation. Review of auction manager's valuation of bids.
- 193. Connecticut Siting Council 217; Connecticut Light & Power proposed transmission line from Plumtree to Norwalk; Connecticut Office of Consumer Counsel. March 2002.**  
Nature of transmission problems. Potential for conservation and distributed resources to defer, reduce or avoid transmission investment. CL&P transmission planning process. Joint testimony with John Plunkett.

- 194. Vermont PSB 6596; Citizens Utilities Rates; Vermont Department of Public Service. Direct, March 2002; Rebuttal, May 2002.**
- Review of 1991 decision to commit to long-term uneconomic purchase from Hydro Québec. Alternatives; role of transmission constraints. Calculation of present damages from imprudence.
- 195. Connecticut DPUC 01-10-10; United Illuminating rate plan; Connecticut Office of Consumer Counsel. April 2002**
- Allocation of excess earnings between shareholders and ratepayers. Asymmetry in treatment of over- and under-earning. Accelerated amortization of stranded costs. Effects of power-supply developments on ratepayer risks. Effect of proposed rate plan on utility risks and required return.
- 196. Connecticut DPUC 01-12-13RE01; Seabrook proposed sale; Connecticut Office of Consumer Counsel. July 2002**
- Comparison of sales price to other nuclear sales. Evaluation of auction design and implementation. Assessment of valuation of purchased-power contracts.
- 197. Ontario EB RP-2002-0120; Review of transmission-system code; Green Energy Coalition. October 2002.**
- Cost allocation. Transmission charges. Societal cost-effectiveness. Environmental externalities.
- 198. New Jersey BPU ER02080507; Jersey Central Power & Light rates; N.J. Division of the Ratepayer Advocate. Phase I December 2002; Phase II (oral) July 2003.**
- Prudence of procurement of electrical supply. Documentation of procurement decisions. Comparison of costs for subsidiaries with fixed versus flow-through cost recovery.
- 199. Connecticut DPUC 03-07-02; CL&P rates; AARP. October 2003**
- Proposed distribution investments, including prudence of prior management of distribution system and utility's failure to make investments previously funded in rates. Cost controls. Application of rate cap. Legislative intent.
- 200. Connecticut DPUC 03-07-01; CL&P transitional standard offer; AARP. November 2003.**
- Application of rate cap. Legislative intent.
- 201. Vermont PSB 6596; Vermont Electric Power Company and Green Mountain Power Northwest Reliability transmission plan; Conservation Law Foundation. December 2003.**
- Inadequacies of proposed transmission plan. Failure of to perform least-cost planning. Distributed resources.

202. **Ohio PUC Case 03-2144-EL-ATA**; Ohio Edison , Cleveland Electric, and Toledo Edison Cos. rates and transition charges; Green Mountain Energy Co. Direct February 2004.
- Pricing of standard-offer service in competitive markets. Critique of anticompetitive features of proposed standard-offer supply, including non-bypassable charges.
203. **NY PSC Cases 03-G-1671 & 03-S-1672**; Consolidated Edison Company Steam and Gas Rates; City of New York. Direct March 2004; Rebuttal April 2004; Settlement June 2004.
- Prudence and cost allocation for the East River Repowering Project. Gas and steam energy conservation. Opportunities for cogeneration at existing steam plants.
204. **NY PSC 04-E-0572**; Consolidated Edison rates and performance; City of New York. Direct, September 2004; rebuttal, October 2004.
- Consolidated Edison's role in promoting adequate supply and demand resources. Integrated resource and T&D planning. Performance-based ratemaking and streetlighting.
205. **Ontario EB RP 2004-0188**; cost recovery and DSM for Ontario electric-distribution utilities; Green Energy Coalition. Exhibit, December 2004.
- Differences in ratemaking requirements for customer-side conservation and demand management versus utility-side efficiency improvements. Recovery of lost revenues or incentives. Reconciliation mechanism.
206. **MDTE 04-65**; Cambridge Electric Light Co. streetlighting; City of Cambridge. Direct, October 2004; Supplemental January 2005.
- Calculation of purchase price of street lights by the City of Cambridge.
207. **NY PSC 04-W-1221**; rates, rules, charges, and regulations of United Water New Rochelle; Town of Eastchester and City of New Rochelle. Direct, February 2005.
- Size and financing of proposed interconnection. Rate design. Water-mains replacement and related cost recovery. Lost and unaccounted-for water.
208. **NY PSC 05-M-0090**; system-benefits charge; City of New York. Comments, March 2005.
- Assessment and scope of, and potential for, New York system-benefits charges.
209. **Maryland PSC 9036**; Baltimore Gas & Electric rates; Maryland Office of People's Counsel. Direct, August 2005.
- Allocation of costs. Design of rates. Interruptible and firm rates.
210. **British Columbia Utilities Commission Project No. 3698388**, British Columbia Hydro resource-acquisition plan; British Columbia Sustainable Energy Association and Sierra Club of Canada BC Chapter. Direct, September 2005.

Renewable energy and DSM. Economic tests of cost-effectiveness. Costs avoided by DSM.

- 211. Connecticut DPUC 05-07-18;** financial effect of long-term power contracts; Connecticut Office of Consumer Counsel. Direct September 2005.

Assessment of effect of DSM, distributed generation, and capacity purchases on financial condition of utilities.

- 212. Connecticut DPUC 03-07-01RE03 & 03-07-15RE02;** incentives for power procurement; Connecticut Office of Consumer Counsel. Direct, September 2005. Additional Testimony, April 2006.

Utility obligations for generation procurement. Application of standards for utility incentives. Identification and quantification of effects of timing, load characteristics, and product definition.

- 213. Connecticut DPUC Docket 05-10-03;** Connecticut L&P; time-of-use, interruptible and seasonal rates; Connecticut Office of Consumer Counsel. Direct and Supplemental Testimony February 2006.

Seasonal and time-of-use differentiation of generation, congestion, transmission and distribution costs; fixed and variable peak-period timing; identification of pricing seasons and seasonal peak periods; cost-effectiveness of time-of-use rates.

- 214. Ontario Energy Board Case EB-2005-0520;** Union Gas rates; School Energy Coalition. Evidence, April 2006.

Rate design related to splitting commercial rate class into two classes: new break point, cost allocation, customer charges, commodity rate blocks.

- 215. Ontario Energy Board Case EB-2006-0021;** natural gas demand-side-management generic issues proceeding; School Energy Coalition. Evidence, June 2006.

Multi-year planning and budgeting; lost-revenue adjustment mechanism; determining savings for incentives; oversight; program screening.

- 216. Indiana Utility Regulatory Commission Cause Nos. 42943 and 43046;** Vectren Energy DSM proceedings; Citizens Action Coalition. Direct, June 2006.

Rate decoupling and energy-efficiency goals.

- 217. Pennsylvania PUC Docket No. 00061346;** Duquesne Lighting; Real-time pricing; PennFuture. Direct, July 2006; surrebuttal August 2006.

Real-time and time-dependent pricing; benefits of time-dependent pricing; appropriate metering technology; real-time rate design and customer information

- 218. Pennsylvania PUC Docket No. R-00061366, et al.;** rate-transition-plan proceedings of Metropolitan Edison and Pennsylvania Electric; Real-time pricing; PennFuture. Direct, July 2006; surrebuttal August 2006.

Real-time and time-dependent pricing; appropriate metering technology; real-time rate design and customer information.

- 219. Connecticut DPUC 06-01-08;** Connecticut L&P procurement of power for standard service and last-resort service; Connecticut Office of Consumer Counsel. Reports and technical hearings September and October 2006.

Conduct of auction; review of bids; comparison to market prices; selection of winning bidders.

- 220. Connecticut DPUC 06-01-08;** United Illuminating procurement of power for standard service and last-resort service; Connecticut Office of Consumer Counsel. Reports and technical hearings August and November 2006; March, September, October, and November 2007; February, April, and May 2008.

Conduct of auction; review of bids; comparison to market prices; selection of winning bidders.

- 221. NY PSC Case No. 06-M-1017;** policies, practices, and procedures for utility commodity supply service; City of New York. Comments, November and December 2006.

Multi-year contracts, long-term planning, new resources, procurement by utilities and other entities, cost recovery.

- 222. Connecticut DPUC 06-01-08;** procurement of power for standard service and last-resort service, lessons learned; Connecticut Office Of Consumer Counsel. Comments and Technical Conferences December 2006 and January 2007.

Sharing of data and sources; benchmark prices; need for predictability, transparency and adequate review; utility-owned resources; long-term firm contracts.

- 223. PUCO Case No. 05-1444-GA-UNC;** recovery of conservation costs, decoupling, and rate-adjustment mechanisms for Vectren Energy Delivery of Ohio; Ohio Consumers' Counsel. Direct, February 2007.

Assessing cost-effectiveness of natural-gas energy-efficiency programs. Calculation of avoided costs. Impact on rates. System benefits of DSM.

- 224. NY PSC Case 06-G-1332,** Consolidated Edison Rates and Regulations; City of New York. Direct, March 2007.

Gas energy efficiency: benefits to customers, scope of cost-effective programs, revenue decoupling, shareholder incentives.

- 225. Alberta EUB 1500878;** ATCO Electric rates; Association of Municipal Districts & Counties and Alberta Federation of Rural Electrical Associations. Direct, May 2007

Direct assignment of distribution costs to streetlighting. Cost causation and cost allocation. Minimum-system and zero-intercept classification.

226. **Connecticut DPUC Docket 07-04-24**, Review of capacity contracts under Energy Independence Act; Connecticut Office of Consumer Counsel, Joint Direct Testimony June 2007.
- Assessment of proposed capacity contracts for new combined-cycle, peakers and DSM. Evaluation of contracts for differences, modeling of energy, capacity and forward-reserve markets. Corrections of errors in computation of costs, valuation of energy-price effects of peakers, market-driven expansion plans and retirements, market response to contracted resource additions, DSM proposal evaluation.
227. **NY PSC Case 07-E-0524**, Consolidated Edison electric rates; City of New York. Direct, September 2007.
- Energy-efficiency planning. Recovery of DSM costs. Decoupling of rates from sales. Company incentives for DSM. Advanced metering. Resource planning.
228. **Manitoba PUB 136-07**, Manitoba Hydro rates; Resource Conservation Manitoba and Time to Respect Earth's Ecosystem. Direct, February 2008.
- Revenue allocation, rate design, and demand-side management. Estimation of marginal costs and export revenues.
229. **Mass. EFSB 07-7**, DPU 07-58 & -59, proposed Brockton Power Company plant; Alliance Against Power Plant Location. Direct, March 2008
- Regional supply and demand conditions. Effects of plant construction and operation on regional power supply and emissions.
230. **CDPUC 08-01-01**, peaking generation projects; Connecticut Office of Consumer Counsel. Direct (with Jonathan Wallach), April 2008.
- Assessment of proposed peaking projects. Valuation of peaking capacity. Modeling of energy margin, forward reserves, other project benefits.
231. **Ontario EB-2007-0905**, Ontario Power Generation payments; Green Energy Coalition. Direct, April 2008.
- Cost of capital for Hydro and nuclear investments. Financial risks of nuclear power.
232. **Utah PSC 07-035-93**, Rocky Mountain Power Rates; Utah Committee of Consumer Services. Direct, July 2008
- Cost allocation and rate design. Cost of service. Correct classification of generation, transmission, and purchases.
233. **Ontario EB-2007-0707**, Ontario Power Authority integrated system plan; Green Energy Coalition, Penimba Institute, and Ontario Sustainable Energy Association. Evidence (with Jonathan Wallach and Richard Mazzini), August 2008.
- Critique of integrated system plan. Resource cost and characteristics; finance cost. Development of least-cost green-energy portfolio.

234. **NY PSC Case 08-E-0596**, Consolidated Edison electric rates; City of New York. Direct, September 2008.
- Estimated bills, automated meter reading, and advanced metering. Aggregation of building data. Targeted DSM program design. Using distributed generation to defer T&D investments.
235. **CDPUC 08-07-01**, integrated resource plan; Connecticut Office of Consumer Counsel. Direct, September 2008.
- Integrated resource planning scope and purpose. Review of modeling and assumptions. Review of energy efficiency, peakers, demand response, nuclear, and renewables. Structuring of procurement contracts.
236. **Manitoba PUB 2008 MH EIIR**, Manitoba Hydro intensive industrial rates; Resource Conservation Manitoba and Time to Respect Earth's Ecosystem. Direct, November 2008.
- Marginal costs. Rate design. Time-of-use rates.
237. **Maryland PSC 9036**; Columbia Gas rates; Maryland Office of People's Counsel. Direct, January 2009.
- Cost allocation and rate design. Critique of cost-of-service studies.
238. **Vermont PSB 7440**; extension of authority to operate Vermont Yankee; Conservation Law Foundation and Vermont Public Interest Research Group. Direct, February 2009; Surrebuttal, May 2009.
- Adequacy of decommissioning funding. Potential benefits to Vermont of revenue-sharing provision. Risks to Vermont of underfunding decommissioning fund.
239. **Nova Scotia Review Board P-884(2)**, Nova Scotia Power DSM and cost recovery, Nova Scotia Consumer Advocate. May 2009.
- Recovery of demand-side-management costs and lost revenue.
240. **Nova Scotia Review Board P-172**, proposed biomass project, Nova Scotia Consumer Advocate. June 2009.
- Procedural, planning, and risk issues with proposed power-purchase contract. Biomass price index. Nova Scotia Power's management of other renewable contracts.
241. **Connecticut Siting Council 370A**, Connecticut Light & Power transmission projects; Connecticut Office of Consumer Counsel. Direct, July 2009.
- Need for transmission projects. Modeling of transmission system. Realistic modeling of operator responses to contingencies
242. **Mass. DPU 09-39**, NGrid rates, Mass. Department of Energy Resources. August 2009.

- Revenue-decoupling mechanism. Automatic rate adjustments.
243. **Utah PSC** Docket No. 09-035-23, Rocky Mountain Power rates; Utah Office of Consumer Services. Direct, October 2009. Rebuttal, November 2009.
- Cost-of-service study. Cost allocators for generation, transmission, and substation.
244. **Utah PSC** Docket No. 09-035-15, Rocky Mountain Power energy-cost-adjustment mechanism; Utah Office of Consumer Services. Direct, November 2009; Surrebuttal, January 2010.
- Automatic cost-adjustment mechanisms. Net power costs and related risks. Effects of energy-cost-adjustment mechanisms on utility performance.
245. **Penn. PUC** Docket No. R-2009-2139884, Philadelphia Gas Works energy efficiency and cost recovery; Philadelphia Gas Works. Direct, December 2009.
- Avoided gas costs. Recovery of efficiency-program costs and lost revenues. Rate impacts of DSM.
246. **Ark. PSC** Docket No. 09-084-U, Entergy Arkansas rates; National Audubon Society and Audubon Arkansas. Direct, February 2010; Surrebuttal, April 2010.
- Recovery of revenues lost to efficiency programs. Determination of lost revenues. Incentive and recovery mechanisms.
247. **Ark. PSC** Docket No. 10-010-U, Energy efficiency; National Audubon Society and Audubon Arkansas. Direct, March 2010; Reply, April 2010.
- Regulatory framework for utility energy-efficiency programs. Fuel-switching programs. Program administration, oversight, and coordination. Rationale for commercial and industrial efficiency programs. Benefit of energy efficiency.
248. **Ark. PSC** Docket No. 08-137-U, Generic rate-making; National Audubon Society and Audubon Arkansas. Direct, March 2010; Supplemental, October 2010; Reply, October 2010.
- Calculation of avoided costs. Recovery of utility energy-efficiency-program costs and lost revenues. Shareholder incentives for efficiency-program performance.
249. **Plymouth, Mass., Superior Court** Civil Action No. PLCV2006-00651-B (Hingham Municipal Lighting Plant v. Gas Recovery Systems LLC et al.) breach of agreement; defendants. Affidavit, May 2010.
- Contract interpretation. Meaning of capacity measures. Standard practices in capacity agreements. Power-pool rules and practices. Power planning and procurement.
250. **Plymouth, Mass., Superior Court** Civil Action No. PLCV2006-00651-B (Hingham Municipal Lighting Plant v. Gas Recovery Systems LLC et al.) breach of agreement; defendants. Affidavit, May 2010.



- Contract interpretation. Meaning of capacity measures. Standard practices in capacity agreements. Power-pool rules and practices. Power planning and procurement.
- 251. N.S. UARB P128.10**, Port Hawkesbury Biomass Project; Nova Scotia Consumer Advocate. Direct, June 2010.
- Least-cost planning and renewable-energy requirements. Feasibility versus alternatives. Unknown or poorly estimated costs.
- 252. Mass. DPU 10-54**, NGrid purchase of long-term power from Cape Wind; Natural Resources Defense Council et al. Direct, July 2010.
- Effects of renewable-energy projects on gas and electric market prices. Impacts on system reliability and peak loads. Importance of PPAs to renewable development. Effectiveness of proposed contracts as price edges.
- 253. Maryland PSC 9230**, Baltimore Gas & Electric rates; Maryland Office of People's Counsel. Direct, Direct, July 2010; Rebuttal, Surrebuttal, August 2010.
- Allocation of gas- and electric-distribution costs. Critique of minimum-system analyses and direct assignment of shared plant. Allocation of environmental compliance costs. Allocation of revenue increases among rate classes.
- 254. Ontario EB-2010-0008**, Ontario Power Generation facilities charges; Green Energy Coalition. Evidence, August 2010.
- Critique of including a return on CWIP in current rates. Setting cost of capital by business segment.
- 255. N.S. UARB NG-HG-R-10**, Heritage Gas rates; N.S. Consumer Advocate. Direct, October 2010.
- Cost allocation. Cost of capital. Effect on rates of growth in sales.
- 256. Manitoba PUB Case No. 17/10**, Manitoba Hydro rates; Resource Conservation Manitoba and Time to Respect Earth's Ecosystem. Direct, December 2010
- Revenue-allocation and rate design. DSM program.
- 257. N.S. UARB NSPI-P-891**, Nova Scotia Power depreciation rates; N.S. Consumer Advocate. Direct, February 2011.
- Depreciation and rates.
- 258. New Orleans City Council No. UD-08-02**, Entergy IRP rules; Alliance for Affordable Energy. Direct, December 2010
- Integrated resource planning: Purpose, screening, cost recovery, and generation planning.
- 259. N.S. UARB Docket BRD-E-R-10**, Renewable Energy Community Based Feed-in Tariffs; N.S. Consumer Advocate. Direct, March 2011.

Cost of projects. Rate effects of feed-in tariffs. Consideration of community in computing costs.

260. **Mass. EFSB** 10-2/ D.P.U. 10-131, 10-132, NStar transmission; Town of Sandwich, Mass. Direct, May 2011; Surrebuttal, June 2011.

Need for new transmission; errors in load forecasting; probability of power outages.

261. **Utah PSC** Docket No. 10-035-124; Rocky Mountain Power rate case; Utah Office of Consumer Services. June 2011

Load data, allocation of generation plants, scrubbers, power purchases, and service drops. Marginal cost study: inclusion of all load-related transmission projects, critique of minimum- and zero-intercept methods for distribution. Residential rate design.

262. **N.S. UARB** Docket NSPI P-892; Nova Scotia Power general rate application; N.S. Consumer Advocate. August 2011.

Cost allocation: allocation of costs of wind power and substations. Rate design: marginal-cost-based rates, demand charges, time-of-use rates.

263. **N.S. UARB** Docket NSPI P-202; Load-retention tariff; N.S. Consumer Advocate. August 2011.

Marginal cost of serving very large industrial electric loads; risk, incentives and rate design.

264. **Okla. Corporation Commission** Cause No. PUD 201100077; Current and pending federal regulations and legislation affecting Oklahoma utilities; Sierra Club. comments July, October 2011; presentation July 2011.

Challenges facing Oklahoma coal plants; efficiency, renewable and conventional resources available to replace existing coal plants; integrated environmental compliance planning.

265. **Nevada PUC** Docket No. 11-08019; Integrated analysis of resource acquisition; Sierra Club. Comments September 2011; Hearing October 2011

Scoping of integrated review of cost-effectiveness of continued operation of Reid Gardner 1-3 coal units.

266. **Okla. Corporation Commission** Cause No. PUD 201100087; Oklahoma Gas and Electric Company electric rates; Sierra Club. November 2011.

Resource monitoring and acquisition. Benefits to ratepayers of energy conservation and renewables. Supply planning

267. **Ky. PSC** Case No. 2011-00375; Kentucky utilities' purchase and construction of power plants; Sierra Club and National Resources Defense Council. December 2011.

Assessment of resources, especially renewables. Treatment of risk. Treatment of future environmental costs.

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