

NSUARB P-887(7)

NOVA SCOTIA UTILITY AND REVIEW BOARD

**IN THE MATTER OF THE 2016 FUEL ADJUSTMENT MECHANISM (FAM)
PROCEEDING RELATED TO THE ACTUAL ADJUSTMENT (AA) AND BALANCE
ADJUSTMENT (BA) RECOVERY VALUES**

**DIRECT EVIDENCE OF
JONATHAN WALLACH
ON BEHALF OF
THE CONSUMER ADVOCATE**

Resource Insight, Inc.

DECEMBER 1, 2015

1 **Q: Please state your name, occupation, and business address.**

2 A: My name is Jonathan F. Wallach. I am Vice President of Resource Insight, Inc.,
3 5 Water Street, Arlington, Massachusetts.

4 **Q: Please summarize your professional experience.**

5 A: I have worked as a consultant to the electric-power industry since 1981. From
6 1981 to 1986, I was a research associate at Energy Systems Research Group. In
7 1987 and 1988, I was an independent consultant. From 1989 to 1990, I was a
8 senior analyst at Komanoff Energy Associates. I have been in my current
9 position at Resource Insight since September of 1990.

10 Over the past thirty years, I have advised clients on a wide range of
11 economic, planning, and policy issues including: electric-utility restructuring;
12 wholesale-power market design and operations; transmission pricing and policy;
13 market valuation of generating assets and purchase contracts; power-
14 procurement strategies; risk assessment and management; integrated resource
15 planning; cost allocation and rate design; and energy-efficiency program design
16 and planning.

17 My resume is attached as Exhibit JFW-1.

18 **Q: Have you testified previously in utility regulatory proceedings?**

19 A: Yes. I have sponsored expert testimony in 75 federal, provincial, or state
20 proceedings in the U.S. and Canada, including in Nova Scotia in NSUARB P-
21 887(2) and P-887(6). Exhibit JFW-1 provides a detailed listing of my previous
22 testimony.

23 **Q: Please summarize your experience with regard to the Fuel Adjustment**
24 **Mechanism.**

25 A: I have assisted the Nova Scotia Consumer Advocate in its oversight of the FAM
26 process since full implementation of the FAM on January 1, 2009. During that

1 time, I have participated in FAM technical conferences and meetings of the
2 FAM Small Working Group (SWG) on the Consumer Advocate's behalf,
3 reviewed and evaluated all FAM reports and FAM-related filings, reviewed
4 material filed in the FAM data room located in the offices of Nova Scotia Power
5 Inc. (NS Power or "the Company"), and assisted the Consumer Advocate in its
6 interventions in various GRA, BCF and FAM proceedings. Finally, I provided
7 direct evidence in NSUARB P-887(2) regarding the FAM incentive mechanism
8 and in NSUARB P-887(6) regarding the allocation of demand-related purchased
9 power costs to the residential class.

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

11 A: My testimony is sponsored by the Nova Scotia Consumer Advocate.

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

13 A: The Consumer Advocate has asked me to comment on the Company's
14 derivation of the 2016 Actual Adjustment (AA) and Balancing Adjustment (BA)
15 amounts in total and for the residential class. Specifically, the Consumer
16 Advocate has asked me to evaluate the evidence filed by NS Power, along with
17 the Company's responses to intervenors' interrogatory requests, to determine
18 whether the 2016 AA and BA amounts for the residential class were derived in a
19 reasonable manner.

20 **Q: What do you conclude from your evaluation of the Company's evidence**
21 **and interrogatory responses?**

22 A: Although the procedural schedule did not allow time for a comprehensive
23 evaluation, it appears that NS Power estimated the 2016 AA and BA amounts in
24 total and for the residential class in a manner that is reasonably consistent with
25 the Plan of Administration, the FAM Deferral Settlement Agreement, and past

1 practice.¹ Nevertheless, I have two recommendations regarding the process for
2 estimating the 2017 AA and BA amounts.

3 **Q: What is your first recommendation regarding the derivation of the 2017 AA**
4 **and BA amounts?**

5 A: My first recommendation pertains to the application of 2015 excess non-fuel
6 revenues to the 2015 BA balance. In accordance with the terms of the FAM
7 Deferral Settlement Agreement, the Company reduced the 2015 BA balance by
8 its estimate of excess non-fuel revenues for the first two quarters of 2015 when
9 deriving the 2016 BA amount. Specifically, NS Power reduced the BA balance
10 in March of 2015 by its estimate of first-quarter excess non-fuel revenues and in
11 June of 2015 by its estimate of second-quarter excess non-fuel revenues.
12 According to NS Power's response to Consumer Advocate IR-4, the Company
13 applied excess non-fuel revenues in this fashion in order to provide "customers
14 with the benefit of receiving the benefit of interest credits on these amounts
15 prior to NS Power determining actual earnings at year-end."

16 However, according to its response to Liberty Consulting Group IR-1, the
17 Company did not reduce the September 2015 BA balance by third-quarter
18 excess non-fuel revenues, because the third-quarter figure was not publicly
19 available at the time of the 2016 AA/BA filing.² Consequently, when deriving
20 the 2017 BA amount, NS Power will need to reduce 2015 BA balances to reflect

¹ The FAM Deferral Settlement Agreement was approved by the Board in its December 12, 2014 order in M06475.

² According to its response to Nova Scotia Utility and Review Board IR-1, NS Power is prohibited by law from selectively disclosing its estimate of excess non-fuel revenues (e.g., as part of its AA/BA filing) before it is made publicly available. For that same reason, the Company also did not reduce the December 2015 BA balance to reflect its current estimate of fourth-quarter excess non-fuel revenues.

1 third-quarter (and fourth-quarter) excess non-fuel revenues. When doing so, the
2 Company should retroactively reduce the September 2015 BA balance by \$12.5
3 million dollars to reflect its current estimate of third-quarter excess non-fuel
4 revenues.³ The Company should likewise retroactively reduce the December
5 2015 BA balance to reflect the difference between actual 2015 year-end excess
6 non-fuel revenues and NS Power's estimate of excess non-fuel revenues for the
7 first three quarters of 2015. These adjustments will provide customers with the
8 equivalent "benefit of interest credits" as would have been provided if the
9 Company's third-quarter estimate had been publicly available at the time of the
10 2016 AA/BA filing.

11 **Q: What is your second recommendation regarding the derivation of the 2017**
12 **AA and BA amounts?**

13 A: I recommend that the procedures for deriving the Actual Adjustment be revised
14 so that the AA is calculated based on twelve months of actual costs, rather than
15 on ten months of actual and two months of forecasted costs. This is not a new
16 recommendation. The Consumer Advocate first proposed this revision at a
17 meeting of the FAM Small Working Group in February of 2012 and the
18 Industrial Group made the same proposal in December of 2014. Subsequently,
19 NS Power described various options for implementing this change at the most-
20 recent Small Working Group meeting in August of 2015.

21 The current procedures have exposed consumers to substantial cost (or
22 credit) deferrals due to deviations between actual FAM expenditures in
23 November and December and the Company's forecasts of those costs when
24 setting the AA. For example, according to the Company's response to Liberty

³ The Company provides its current estimate of third-quarter excess non-fuel revenues in response to Nova Scotia Utility and Review Board IR-1.

1 Consulting Group IR-4, NS Power forecasted an under-recovery of about \$7.7
2 million in November and December of 2014 when setting the 2015 AA amount.
3 In fact, there was an over-recovery of \$0.4 million in those two months,
4 resulting in a \$8.1 million difference between actual and forecasted costs for
5 those two months. Consequently, ratepayers paid more than actual costs through
6 the 2015 AA, but will be refunded this difference (with interest) through the
7 2016 BA. The risk of future deferrals could be largely mitigated by calculating
8 the AA using only actual costs.⁴

9 At the August 2015 meeting of the FAM Small Working Group, NS Power
10 presented a viable approach for setting an AA rate that would be effective on
11 January 1 of the upcoming year (as is the case under current procedures), but
12 would be derived based on actual costs for the previous twelve-month period
13 from November through October.⁵ The Consumer Advocate will continue to
14 work with the Company and other SWG participants to fully develop this
15 approach for implementation in 2016.

16 **Q: Does this conclude your direct evidence?**

17 **A:** Yes.

⁴ This risk would not be eliminated because the AA *rate* for the upcoming year would be derived as actual AA costs in the current year divided by forecasted energy sales for the upcoming year. Thus, there would still be a potential for deferrals due to deviations between actual and forecasted energy sales for the upcoming year.

⁵ As a transition year, the 2017 AA would be based on actual costs for the ten months from January through October of 2016.

Exhibit JFW-1

Qualifications of
JONATHAN F. WALLACH

Resource Insight, Inc.
5 Water Street
Arlington, Massachusetts 02476

SUMMARY OF PROFESSIONAL EXPERIENCE

- 1990–Present* **Vice President, Resource Insight, Inc.** Provides research, technical assistance, and expert testimony on electric- and gas-utility planning, economics, regulation, and restructuring. Designs and assesses resource-planning strategies for regulated and competitive markets, including estimation of market prices and utility-plant stranded investment; negotiates restructuring strategies and implementation plans; assists in procurement of retail power supply.
- 1989–90* **Senior Analyst, Komanoff Energy Associates.** Conducted comprehensive cost-benefit assessments of electric-utility power-supply and demand-side conservation resources, economic and financial analyses of independent power facilities, and analyses of utility-system excess capacity and reliability. Provided expert testimony on statistical analysis of U.S. nuclear plant operating costs and performance. Co-wrote *The Power Analyst*, software developed under contract to the New York Energy Research and Development Authority for screening the economic and financial performance of non-utility power projects.
- 1987–88* **Independent Consultant.** Provided consulting services for Komanoff Energy Associates (New York, New York), Schlissel Engineering Associates (Belmont, Massachusetts), and Energy Systems Research Group (Boston, Massachusetts).
- 1981–86* **Research Associate, Energy Systems Research Group.** Performed analyses of electric utility power supply planning scenarios. Involved in analysis and design of electric and water utility conservation programs. Developed statistical analysis of U.S. nuclear plant operating costs and performance.

EDUCATION

BA, Political Science with honors and Phi Beta Kappa, University of California, Berkeley, 1980.

Massachusetts Institute of Technology, Cambridge, Massachusetts. Physics and Political Science, 1976–1979.

PUBLICATIONS

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

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

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

“Retrofit Economics 201: Correcting Common Errors in Demand-Side-Management Cost-Benefit Analysis” (with John Plunkett and Rachael Brailove). In proceedings of “Energy Modeling: Adapting to the New Competitive Operating Environment,” conference sponsored by the Institute for Gas Technology in Atlanta in April of 1995. Des Plaines, Ill.: IGT, 1995.

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

“Benefit-Cost Ratios Ignore Interclass Equity” (with Paul Chernick et al.), *DSM Quarterly*, Spring 1992.

“Consider Plant Heat Rate Fluctuations,” *Independent Energy*, July/August 1991.

“Demand-Side Bidding: A Viable Least-Cost Resource Strategy” (with Paul Chernick and John Plunkett), *Proceedings from the NARUC Biennial Regulatory Information Conference*, September 1990.

“New Tools on the Block: Evaluating Non-Utility Supply Opportunities With *The Power Analyst*, (with John Plunkett), *Proceedings of the Fourth National Conference on Micro-computer Applications in Energy*, April 1990.

REPORTS

“Economic Benefits from Early Retirement of Reid Gardner” (with Paul Chernick) prepared for and filed by the Sierra Club in PUC of Nevada Docket No. 11-08019.

“Green Resource Portfolios: Development, Integration, and Evaluation” (with Paul Chernick and Richard Mazzini) report to the Green Energy Coalition presented as evidence in Ontario EB 2007-0707.

“Risk Analysis of Procurement Strategies for Residential Standard Offer Service” (with Paul Chernick, David White, and Rick Hornby) report to Maryland Office of People’s Counsel. 2008. Baltimore: Maryland Office of People’s Counsel.

“Integrated Portfolio Management in a Restructured Supply Market” (with Paul Chernick, William Steinhurst, Tim Woolf, Anna Sommers, and Kenji Takahashi). 2006. Columbus, Ohio: Office of the Ohio Consumers’ Counsel.

“First Year of SOS Procurement.” 2004. Prepared for the Maryland Office of People’s Counsel.

“Energy Plan for the City of New York” (with Paul Chernick, Susan Geller, Brian Tracey, Adam Auster, and Peter Lanzaletta). 2003. New York: New York City Economic Development Corporation.

“Peak-Shaving–Demand-Response Analysis: Load Shifting by Residential Customers” (with Brian Tracey). 2003. Barnstable, Mass.: Cape Light Compact.

“Electricity Market Design: Incentives for Efficient Bidding; Opportunities for Gaming.” 2002. Silver Spring, Maryland: National Association of State Consumer Advocates.

“Best Practices in Market Monitoring: A Survey of Current ISO Activities and Recommendations for Effective Market Monitoring and Mitigation in Wholesale Electricity Markets” (with Paul Peterson, Bruce Biewald, Lucy Johnston, and Etienne Gonin). 2001. Prepared for the Maryland Office of People’s Counsel, Pennsylvania Office of Consumer Advocate, Delaware Division of the Public Advocate, New Jersey Division of the Ratepayer Advocate, Office of the People’s Counsel of the District of Columbia.

“Comments Regarding Retail Electricity Competition.” 2001. Filed by the Maryland Office of People’s Counsel in U.S. FTC Docket No. V010003.

“Final Comments of the City of New York on Con Edison’s Generation Divestiture Plans and Petition.” 1998. Filed by the City of New York in PSC Case No. 96-E-0897.

“Response Comments of the City of New York on Vertical Market Power.” 1998. Filed by the City of New York in PSC Case Nos. 96-E-0900, 96-E-0098, 96-E-0099, 96-E-0891, 96-E-0897, 96-E-0909, and 96-E-0898.

“Preliminary Comments of the City of New York on Con Edison’s Generation Divestiture Plan and Petition.” 1998. Filed by the City of New York in PSC Case No. 96-E-0897.

“Maryland Office of People’s Counsel’s Comments in Response to the Applicants’ June 5, 1998 Letter.” 1998. Filed by the Maryland Office of People’s Counsel in PSC Docket No. EC97-46-000.

“Economic Feasibility Analysis and Preliminary Business Plan for a Pennsylvania Consumer’s Energy Cooperative” (with John Plunkett et al.). 1997. 3 vols. Philadelphia, Penn.: Energy Coordinating Agency of Philadelphia.

“Good Money After Bad” (with Charles Komanoff and Rachel Brailove). 1997. White Plains, N.Y.: Pace University School of Law Center for Environmental Studies.

“Maryland Office of People’s Counsel’s Comments on Staff Restructuring Report: Case No. 8738.” 1997. Filed by the Maryland Office of People’s Counsel in PSC Case No. 8738.

“Protest and Request for Hearing of Maryland Office of People’s Counsel.” 1997. Filed by the Maryland Office of People’s Counsel in PSC Docket Nos. EC97-46-000, ER97-4050-000, and ER97-4051-000.

“Restructuring the Electric Utilities of Maryland: Protecting and Advancing Consumer Interests” (with Paul Chernick, Susan Geller, John Plunkett, Roger Colton, Peter Bradford,

Bruce Biewald, and David Wise). 1997. Baltimore, Maryland: Maryland Office of People's Counsel.

"Comments of the New Hampshire Office of Consumer Advocate on Restructuring New Hampshire's Electric-Utility Industry" (with Bruce Biewald and Paul Chernick). 1996. Concord, N.H.: NH OCA.

"Estimation of Market Value, Stranded Investment, and Restructuring Gains for Major Massachusetts Utilities" (with Paul Chernick, Susan Geller, Rachel Brailove, and Adam Auster). 1996. On behalf of the Massachusetts Attorney General (Boston).

"Report on Entergy's 1995 Integrated Resource Plan." 1996. On behalf of the Alliance for Affordable Energy (New Orleans).

"Preliminary Review of Entergy's 1995 Integrated Resource Plan." 1995. On behalf of the Alliance for Affordable Energy (New Orleans).

"Comments on NOPSI and LP&L's Motion to Modify Certain DSM Programs." 1995. On behalf of the Alliance for Affordable Energy (New Orleans).

"Demand-Side Management Technical Market Potential Progress Report." 1993. On behalf of the Legal Environmental Assistance Foundation (Tallahassee)

"Technical Information." 1993. Appendix to "Energy Efficiency Down to Details: A Response to the Director General of Electricity Supply's Request for Comments on Energy Efficiency Performance Standards" (UK). On behalf of the Foundation for International Environmental Law and Development and the Conservation Law Foundation (Boston).

"Integrating Demand Management into Utility Resource Planning: An Overview." 1993. Vol. 1 of "From Here to Efficiency: Securing Demand-Management Resources" (with Paul Chernick and John Plunkett). Harrisburg, Pa.:Pennsylvania Energy Office

"Making Efficient Markets." 1993. Vol. 2 of "From Here to Efficiency: Securing Demand-Management Resources" (with Paul Chernick and John Plunkett). Harrisburg, Pa.: Pennsylvania Energy Office.

"Analysis Findings, Conclusions, and Recommendations." 1992. Vol. 1 of "Correcting the Imbalance of Power: Report on Integrated Resource Planning for Ontario Hydro" (with Paul Chernick and John Plunkett).

"Demand-Management Programs: Targets and Strategies." 1992. Vol. 1 of "Building Ontario Hydro's Conservation Power Plant" (with John Plunkett, James Peters, and Blair Hamilton).

"Review of the Elizabethtown Gas Company's 1992 DSM Plan and the Demand-Side Management Rules" (with Paul Chernick, John Plunkett, James Peters, Susan Geller, Blair Hamilton, and Andrew Shapiro). 1992. Report to the New Jersey Department of Public Advocate.

"Comments of Public Interest Intervenors on the 1993–1994 Annual and Long-Range Demand-Side Management and Integrated Resource Plans of New York Electric Utilities" (with Ken Keating et al.) 1992.

“Review of Jersey Central Power & Light’s 1992 DSM Plan and the Demand-Side Management Rules” (with Paul Chernick et al.). 1992. Report to the New Jersey Department of Public Advocate.

“Review of Rockland Electric Company’s 1992 DSM Plan and the Demand-Side Management Rules” (with Paul Chernick et al.). 1992.

“Initial Review of Ontario Hydro’s Demand-Supply Plan Update” (with David Argue et al.). 1992.

“Comments on the Utility Responses to Commission’s November 27, 1990 Order and Proposed Revisions to the 1991–1992 Annual and Long Range Demand Side Management Plans” (with John Plunkett et al.). 1991.

“Comments on the 1991–1992 Annual and Long Range Demand-Side-Management Plans of the Major Electric Utilities” (with John Plunkett et al.). Filed in NY PSC Case No. 28223 in re New York utilities’ DSM plans. 1990.

“Profitability Assessment of Packaged Cogeneration Systems in the New York City Area.” 1989. Principal investigator.

“Statistical Analysis of U.S. Nuclear Plant Capacity Factors, Operation and Maintenance Costs, and Capital Additions.” 1989.

“The Economics of Completing and Operating the Vogtle Generating Facility.” 1985. ESRG Study No. 85-51A.

“Generating Plant Operating Performance Standards Report No. 2: Review of Nuclear Plant Capacity Factor Performance and Projections for the Palo Verde Nuclear Generating Facility.” 1985. ESRG Study No. 85-22/2.

“Cost-Benefit Analysis of the Cancellation of Commonwealth Edison Company’s Braidwood Nuclear Generating Station.” 1984. ESRG Study No. 83-87.

“The Economics of Seabrook 1 from the Perspective of the Three Maine Co-owners.” 1984. ESRG Study No. 84-38.

“An Evaluation of the Testimony and Exhibit (RCB-2) of Dr. Robert C. Bushnell Concerning the Capital Cost of Fermi 2.” 1984. ESRG Study No. 84-30.

“Electric Rate Consequences of Cancellation of the Midland Nuclear Power Plant.” 1984. ESRG Study No. 83-81.

“Power Planning in Kentucky: Assessing Issues and Choices—Project Summary Report to the Public Service Commission.” 1984. ESRG Study No. 83-51.

“Electric Rate Consequences of Retiring the Robinson 2 Nuclear Plant.” 1984. ESRG Study No. 83-10.

“Power Planning in Kentucky: Assessing Issues and Choices—Conservation as a Planning Option.” 1983. ESRG Study No. 83-51/TR III.

“Electricity and Gas Savings from Expanded Public Service Electric and Gas Company Conservation Programs.” 1983. ESRG Study No. 82-43/2.

“Long Island Without the Shoreham Power Plant: Electricity Cost and System Planning Consequences; Summary of Findings.” 1983. ESRG Study No. 83-14S.

“Long Island Without the Shoreham Power Plant: Electricity Cost and System Planning Consequences; Technical Report B—Shoreham Operations and Costs.” 1983. ESRG Study No. 83-14B.

“Customer Programs to Moderate Demand Growth on the Arizona Public Service Company System: Identifying Additional Cost-Effective Program Options.” 1982. ESRG Study No. 82-14C.

“The Economics of Alternative Space and Water Heating Systems in New Construction in the Jersey Central Power and Light Service Area, A Report to the Public Advocate.” 1982. ESRG Study No. 82-31.

“Review of the Kentucky-American Water Company Capacity Expansion Program, A Report to the Kentucky Public Service Commission.” 1982. ESRG Study No. 82-45.

“Long Range Forecast of Sierra Pacific Power Company Electric Energy Requirements and Peak Demands, A Report to the Public Service Commission of Nevada.” 1982. ESRG Study No. 81-42B.

“Utility Promotion of Residential Customer Conservation, A Report to Massachusetts Public Interest Research Group.” 1981. ESRG Study No. 81-47

PRESENTATIONS

“Office of People’s Counsel Case No. 9117” (with William Fields). Presentation to the Maryland Public Utilities Commission in Case No. 9117, December 2008.

“Electricity Market Design: Incentives for Efficient Bidding, Opportunities for Gaming.” NASUCA Northeast Market Seminar, Albany, N.Y., February 2001.

“Direct Access Implementation: The California Experience.” Presentation to the Maryland Restructuring Technical Implementation Group on behalf of the Maryland Office of People’s Counsel. June 1998.

“Reflecting Market Expectations in Estimates of Stranded Costs,” speaker, and workshop moderator of “Effectively Valuing Assets and Calculating Stranded Costs.” Conference sponsored by International Business Communications, Washington, D.C., June 1997.

EXPERT TESTIMONY

- 1989 **Mass. DPU** on behalf of the Massachusetts Executive Office of Energy Resources. Docket No. 89-100. Joint testimony with Paul Chernick relating to statistical analysis of U.S. nuclear-plant capacity factors, operation and maintenance costs, and capital additions; and to projections of capacity factor, O&M, and capital additions for the Pilgrim nuclear plant.
- 1994 **NY PSC** on behalf of the Pace Energy Project, Natural Resources Defense Council, and Citizen's Advisory Panel. Case No. 93-E-1123. Joint testimony with John Plunkett critiques proposed modifications to Long Island Lighting Company's DSM programs from the perspective of least-cost-planning principles.
- 1994 **Vt. PSB** on behalf of the Vermont Department of Public Service. Docket No. 5270-CV-1 and 5270-CV-3. Testimony and rebuttal testimony discusses rate and bill effects from DSM spending and sponsors load shapes for measure- and program-screening analyses.
- 1996 **New Orleans City Council** on behalf of the Alliance for Affordable Energy. Docket Nos. UD-92-2A, UD-92-2B, and UD-95-1. Rates, charges, and integrated resource planning for Louisiana Power & Lights and New Orleans Public Service, Inc.
- 1996 **New Orleans City Council** Docket Nos. UD-92-2A, UD-92-2B, and UD-95-1. Rates, charges, and integrated resource planning for Louisiana Power & Lights and New Orleans Public Service, Inc.; Alliance for Affordable Energy. April, 1996.
- Prudence of utilities' IRP decisions; costs of utilities' failure to follow City Council directives; possible cost disallowances and penalties; survey of penalties for similar failures in other jurisdictions.
- 1998 **Massachusetts Department of Telecommunications and Energy** Docket No. 97-111, Commonwealth Energy proposed restructuring; Cape Cod Light Compact. Joint testimony with Paul Chernick, 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.
- Massachusetts Department of Telecommunications and Energy** Docket No. 97-120, Western Massachusetts Electric Company proposed restructuring; Massachusetts Attorney General. Joint testimony with Paul Chernick, October, 1998. Joint surrebuttal with Paul Chernick, 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.

- 1999 **Maryland PSC** Case No. 8795, Delmarva Power & Light comprehensive restructuring agreement, Maryland Office of People's Counsel. July 1999.
- Support of proposed comprehensive restructuring settlement agreement
- Maryland PSC** Case Nos. 8794 and 8808, Baltimore Gas & Electric Company comprehensive restructuring agreement, Maryland Office of People's Counsel. Initial Testimony July 1999; Reply Testimony August 1999; Surrebuttal Testimony August 1999.
- Support of proposed comprehensive restructuring settlement agreement
- Maryland PSC** Case No. 8797, comprehensive restructuring agreement for Potomac Edison Company, Maryland Office of People's Counsel. October 1999.
- Support of proposed comprehensive restructuring settlement agreement
- Connecticut DPUC** Docket No. 99-03-35, United Illuminating standard offer, Connecticut Office of Consumer Counsel. November 1999.
- Reasonableness of proposed revisions to standard-offer-supply energy costs. Implications of revisions for other elements of proposed settlement.
- 2000 **U.S. FERC** Docket No. RT01-02-000, Order No. 2000 compliance filing, Joint Consumer Advocates intervenors. Affidavit, November 2000.
- Evaluation of innovative rate proposal by PJM transmission owners.
- 2001 **Maryland PSC** Case No. 8852, Charges for electricity-supplier services for Potomac Electric Power Company, Maryland Office of People's Counsel. March 2001.
- Reasonableness of proposed fees for electricity-supplier services.
- Maryland PSC** Case No. 8890, Merger of Potomac Electric Power Company and Delmarva Power and Light Company, Maryland Office of People's Counsel. September 2001; surrebuttal, October 2001. In support of settlement: Supplemental, December 2001; rejoinder, January 2002.
- Costs and benefits to ratepayers. Assessment of public interest.
- Maryland PSC** Case No. 8796, Potomac Electric Power Company stranded costs and rates, Maryland Office of People's Counsel. December 2001; surrebuttal, February 2002.
- Allocation of benefits from sale of generation assets and power-purchase contracts.
- 2002 **Maryland PSC** Case No. 8908, Maryland electric utilities' standard offer and supply procurement, Maryland Office of People's Counsel. Direct, November 2002; Rebuttal December 2002.

- Benefits of proposed settlement to ratepayers. Standard-offer service. Procurement of supply.
- 2003 **Maryland PSC** Case No. 8980, adequacy of capacity in restructured electricity markets; Maryland Office of People's Counsel. Direct, December 2003; Reply December 2003.
- Purpose of capacity-adequacy requirements. PJM capacity rules and practices. Implications of various restructuring proposals for system reliability.
- 2004 **Maryland PSC** Case No. 8995, Potomac Electric Power Company recovery of generation-related uncollectibles; Maryland Office of People's Counsel. Direct, March 2004; Supplemental March 2004, Surrebuttal April 2004.
- Calculation and allocation of costs. Effect on administrative charge pursuant to settlement.
- Maryland PSC** Case No. 8994, Delmarva Power & Light recovery of generation-related uncollectibles; Maryland Office of People's Counsel. Direct, March 2004; Supplemental April 2004.
- Calculation and allocation of costs. Effect on administrative charge pursuant to settlement.
- Maryland PSC** Case No. 8985, Southern Maryland Electric Coop standard-offer service; Maryland Office of People's Counsel. Direct, July 2004.
- Reasonableness and risks of resource-procurement plan.
- 2005 **FERC** Docket No. ER05-428-000, revisions to ICAP demand curves; City of New York. Statement, March 2005.
- Net-revenue offset to cost of new capacity. Winter-summer adjustment factor. Market power and in-City ICAP price trends.
- FERC** Docket No. PL05-7-000, capacity markets in PJM; Maryland Office of People's Counsel. Statement, June 2005.
- Inefficiencies and risks associated with use of administratively determined demand curve. Incompatibility of four-year procurement plan with Maryland standard-offer service.
- FERC** Dockets Nos. ER05-1410-000 & EL05-148-000, proposed market-clearing mechanism for capacity markets in PJM; Coalition of Consumers for Reliability, Affidavit October 2005, Supplemental Affidavit October 2006.
- Inefficiencies and risks associated with use of administratively determined demand curve. Effect of proposed reliability-pricing model on capacity costs.
- 2006 **Maryland PSC** Case No. 9052, Baltimore Gas & Electric rates and market-transition plan; Maryland Office of People's Counsel, February 2006.

Transition to market-based residential rates. Price volatility, bill complexity, and cost-deferral mechanisms.

Maryland PSC Case No. 9056, default service for commercial and industrial customers; Maryland Office of People's Counsel, April 2006.

Assessment of proposals to modify default service for commercial and industrial customers.

Maryland PSC Case No. 9054, merger of Constellation Energy Group and FPL Group; Maryland Office of People's Counsel, June 2006.

Assessment of effects and risks of proposed merger on ratepayers.

Illinois Commerce Commission Docket No. 06-0411, Commonwealth Edison Company residential rate plan; Citizens Utility Board, Cook County State's Attorney's Office, and City of Chicago, Direct July 2006, Reply August 2006.

Transition to market-based rates. Securitization of power costs. Rate of return on deferred assets.

Maryland PSC Case No. 9064, default service for residential and small commercial customers; Maryland Office of People's Counsel, Rebuttal Testimony, September 2006.

Procurement of standard-offer power. Structure and format of bidding. Risk and cost recovery.

FERC Dockets Nos. ER05-1410-000 & EL05-148-000, proposed market-clearing mechanism for capacity markets in PJM; Maryland Office of the People's Counsel, Supplemental Affidavit October 2006.

Distorting effects of proposed reliability-pricing model on clearing prices. Economically efficient alternative treatment.

Maryland PSC Case No. 9063, optimal structure of electric industry; Maryland Office of People's Counsel, Direct Testimony, October 2006; Rebuttal November 2006; surrebuttal November 2006.

Procurement of standard-offer power. Risk and gas-price volatility, and their effect on prices and market performance. Alternative procurement strategies.

Maryland PSC Case No. 9073, stranded costs from electric-industry restructuring; Maryland Office of People's Counsel, Direct Testimony, December 2006.

Review of estimates of stranded costs for Baltimore Gas & Electric.

2007 **Maryland PSC** Case No. 9091, rate-stabilization and market-transition plan for the Potomac Edison Company; Maryland Office of People's Counsel, Direct Testimony, March 2007.

Rate-stabilization plan.

Maryland PSC Case No. 9092, rates and rate mechanisms for the Potomac Electric Power Company; Maryland Office of People's Counsel, Direct Testimony, March 2007.

Cost allocation and rate design. Revenue decoupling mechanism.

Maryland PSC Case No. 9093, rates and rate mechanisms for Delmarva Power & Light; Maryland Office of People's Counsel, Direct Testimony, March 2007.

Cost allocation and rate design. Revenue decoupling mechanism.

Maryland PSC Case No. 9099, rate-stabilization plan for Baltimore Gas & Electric; Maryland Office of People's Counsel, Direct, March 2007; Surrebuttal April 2007.

Review of standard-offer-service-procurement plan. Rate stabilization plan.

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