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**STATE OF OHIO
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**CASE NO. 07-0551-EL-AIR
CASE NO. 07-0552-EL-ATA
CASE NO. 07-0553-EL-AAM
CASE NO. 07-0554-EL-UNC**

**IN THE MATTER OF THE APPLICATION OF
OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON COMPANY FOR AUTHORITY TO
INCREASE RATES FOR DISTRIBUTION SERVICE, MODIFY CERTAIN
ACCOUNTING PRACTICES, AND FOR TARIFF APPROVALS**

**DIRECT TESTIMONY OF
DR. DENNIS W. GOINS
ON BEHALF OF NUCOR STEEL MARION, INC.**

January 10, 2008

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**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE APPLICATION OF OHIO	§	
EDISON COMPANY, THE CLEVELAND ELECTRIC	§	CASE NO. 07-0551-EL-AIR
ILLUMINATING COMPANY, AND THE TOLEDO	§	CASE NO. 07-0552-EL-ATA
EDISON COMPANY FOR AUTHORITY TO INCREASE	§	CASE NO. 07-0553-EL-AAM
RATES FOR DISTRIBUTION SERVICE, MODIFY	§	CASE NO. 07-0554-EL-UNC
CERTAIN ACCOUNTING PRACTICES, AND FOR	§	
TARIFF APPROVALS	§	

**DIRECT TESTIMONY OF
DR. DENNIS W. GOINS
ON BEHALF OF
NUCOR STEEL MARION, INC.**

INTRODUCTION AND QUALIFICATIONS

1
2 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS**
3 **ADDRESS.**

4 **A.** My name is Dennis W. Goins. I operate Potomac Management Group, an
5 economics and management consulting firm. My business address is 5801
6 Westchester Street, Alexandria, Virginia 22310.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND**
8 **PROFESSIONAL BACKGROUND.**

9 **A.** I received a Ph.D. degree in economics and a Master of Economics degree
10 from North Carolina State University. I also earned a B.A. degree with
11 honors in economics from Wake Forest University. From 1974 through
12 1977 I worked as a staff economist at the North Carolina Utilities
13 Commission. During my tenure at the Commission, I testified in
14 numerous cases involving electric, gas, and telephone utilities on such

1 issues as cost of service, rate design, intercorporate transactions, and load
2 forecasting.

3 Since 1978 I have worked as an economic and management consultant
4 to firms and organizations in the private and public sectors. My
5 assignments focus primarily on market structure, policy, planning, and
6 pricing issues involving firms that operate in energy markets. For
7 example, I have prepared analyses related to utility mergers, transmission
8 access and pricing, and the emergence of competitive markets; evaluated
9 and developed regulatory incentive mechanisms applicable to utility
10 operations; assisted clients in analyzing and negotiating interchange
11 agreements and power and fuel supply contracts; and conducted detailed
12 analyses of product pricing, cost of service, rate design, and interutility
13 planning, operations, and pricing. I have also assisted clients on electric
14 power market restructuring issues in Arkansas, New Jersey, New York,
15 South Carolina, Texas, and Virginia.

16 I have submitted testimony and affidavits and provided technical
17 assistance in more than 100 proceedings before state and federal agencies
18 as an expert in competitive market issues, regulatory policy, utility
19 planning and operating practices, cost of service, and rate design. These
20 agencies include the Federal Energy Regulatory Commission (FERC), the
21 Government Accountability Office, the First Judicial District Court of
22 Montana, the Circuit Court of Kanawha County, West Virginia, and
23 regulatory agencies in Alabama, Arizona, Arkansas, Colorado, Florida,
24 Georgia, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland,
25 Massachusetts, Minnesota, Mississippi, New Jersey, New York, North
26 Carolina, Ohio, Oklahoma, South Carolina, Texas, Utah, Vermont,
27 Virginia, and the District of Columbia. Additional details of my
28 educational and professional background are presented in Appendix A.

1 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS**
2 **PROCEEDING?**

3 **A.** I am appearing on behalf of Nucor Steel Marion, Inc., which is located in
4 Marion, Ohio. The Nucor facility—a large retail industrial consumer
5 served by Ohio Edison Company—produces steel by recycling steel scrap
6 in electric arc furnaces.

7 **Q. WHAT ASSIGNMENT WERE YOU GIVEN WHEN YOU WERE**
8 **RETAINED?**

9 **A.** I was asked to undertake two primary tasks:

- 10 1. Review and evaluate FirstEnergy Corp.'s rate proposals, including
11 its proposed distribution rates and the cost analyses on which they
12 are based. In particular, I was asked to focus on FirstEnergy's
13 proposals related to its operating subsidiary, Ohio Edison—
14 Nucor's current power supplier.
- 15 2. Identify any major deficiencies in FirstEnergy's proposals and
16 suggest recommended changes.

17 **Q. WHAT INFORMATION DID YOU REVIEW IN CONDUCTING**
18 **YOUR EVALUATION?**

19 **A.** I reviewed the filing, testimony, and exhibits presented in this case by
20 Ohio Edison, Toledo Edison, and Cleveland Electric Illuminating—utility
21 operating companies in Ohio owned by FirstEnergy Corp. I also reviewed
22 information available on web sites operated by FirstEnergy and the
23 Commission. In addition, I reviewed the Commission Staff's investigation
24 report for each operating company, as well as objections to the Staff's
25 reports filed by various intervenors, and selected discovery responses.

1 **CONCLUSIONS**

2 **Q. WHAT CONCLUSIONS HAVE YOU REACHED?**

3 **A.** On the basis of my review and evaluation, I have concluded the following:

- 4 1. Following implementation of Senate Bill 3, the FirstEnergy
5 operating companies unbundled their existing retail base rates in
6 2001 into generation, transmission, distribution, and transition
7 components. In developing the unbundled rate components, no
8 changes were made to the basic design structure of the bundled
9 rates—effectively continuing the bundled rate design that had been
10 approved in each company’s last base rate case. In this case,
11 FirstEnergy proposes eliminating each operating company’s
12 existing retail rates—which include generation, transmission,
13 distribution, and transition components, and replacing them with
14 distribution-only rates effective January 1, 2009. In developing
15 these distribution-only rates, the companies significantly reduced
16 the number of rate schedules available to customers.
- 17 2. In proposing new distribution-only rates, the FirstEnergy
18 companies have ignored risks that customers face if they choose
19 not to acquire generation service from a competitive supplier by
20 January 1, 2009, and market-based Standard Service Offer (SSO)
21 rates that FirstEnergy has proposed in Case Nos. 07-796-EL-ATA
22 and 07-797-EL-AAM are not in place by that date. That is, on
23 January 1, 2009, customers who want to continue buying
24 generation, transmission, and distribution services from a
25 FirstEnergy company may have rate options available only for
26 distribution service. Whether FirstEnergy’s SSO rates are in place
27 on January 1, 2009, is far from certain. For example, in addition to
28 delays in the SSO cases, Staff has recommended rejection of
29 FirstEnergy’s SSO proposals. Moreover, new legislation being

1 considered in Ohio's General Assembly would not only allow
2 utilities to offer regulated standard service offers, but also impose
3 stricter, more explicit requirements for any utility that wants to
4 offer a market-based standard service offer.

- 5 3. FirstEnergy's distribution-only rate proposal also eliminates all
6 current rates and riders for interruptible service. This decision
7 creates two problems. First, as I noted earlier, rates for SSO
8 service may not be available on January 1, 2009.¹ The non-
9 availability of SSO rates may be particularly problematic for
10 current electricity-intensive interruptible customers that choose not
11 to acquire generation service from a competitive supplier. Second,
12 by eliminating interruptible rates, FirstEnergy has ignored the
13 potential benefits of interruptible service for distribution service.
- 14 4. In the proposed distribution-only rates, FirstEnergy has revised the
15 calculation of billing demand for customers served under General
16 Service rate schedules. Under FirstEnergy's proposal, monthly
17 billing demand will now be the greater of the customer's highest
18 30-minute demand (kVA), a stated demand (varies by General
19 Service rate schedule), or contract demand (set to reflect the
20 customer's expected, typical monthly peak load). FirstEnergy's
21 proposal has at least two problems. First, for customers served at
22 transmission or subtransmission voltages, the billing demand
23 measures ignore load diversity on the distribution system at these
24 voltages—despite the fact that FirstEnergy recognizes such
25 diversity in the coincident peak (summer 3CP) method it uses to
26 allocate transmission and subtransmission plant costs. As a result,
27 cost recovery for transmission and subtransmission customers
28 under FirstEnergy's proposed rates is inconsistent with cost

¹ FirstEnergy has proposed an interruptible program in its market-based SSO filing in Case Nos. 07-796-EL-ATA et al.

1 allocation. Second, the 30-minute measurement period differs
2 from the 60-minute measurement period used by the Midwest ISO
3 and other wholesale markets. This creates not only a further
4 mismatch between pricing and cost allocation, but also a potential
5 load-management problem for transmission customers buying
6 competitive generation service.

7 RECOMMENDATIONS

8 **Q. WHAT DO YOU RECOMMEND ON THE BASIS OF THESE**
9 **CONCLUSIONS?**

10 **A.** I recommend the following:

- 11 1. Require the FirstEnergy operating companies to retain their
12 existing generation, transmission, and distribution rates—including
13 existing rates for interruptible service—until Commission-
14 approved SSO or comparable rates are in place.
- 15 2. Ensure that Commission-approved SSO or comparable rates for the
16 FirstEnergy operating companies include reasonable interruptible
17 service options. In addition, the Commission should require the
18 companies to develop and propose interruptible service options in
19 their distribution-only rates.
- 20 3. Reject FirstEnergy's proposed billing demand provisions for
21 transmission and subtransmission customers. Instead, the monthly
22 billing demand for such customers should reflect the higher of a
23 customer's maximum 60-minute demand during system peak hours
24 as determined by the Commission, or a specified percentage (for
25 example, 60 percent) of the customer's highest billing demand in
26 the preceding 11 months.

1 **GENERAL SERVICE RATES**

2 **Q. PLEASE DESCRIBE THE CURRENT RATE STRUCTURE**
3 **UNDER WHICH THE OPERATING COMPANIES SERVE THEIR**
4 **CUSTOMERS.**

5 **A.** Although current rates include separate generation, transmission,
6 distribution, and transition components, the rates are essentially bundled
7 because of the way in which they were developed. After Senate Bill 3 was
8 implemented, the FirstEnergy operating companies in 2001 separated their
9 existing retail base rates into generation, transmission, distribution, and
10 transition components. In developing these rate components, they made
11 no changes to the basic design structure of the bundled rates. As a result,
12 the bundled rate design that had been approved in each company's last
13 base rate case was effectively continued in the current rates.

14 **Q. IN THIS CASE, DO THE COMPANIES PROPOSE MAJOR**
15 **CHANGES TO THE EXISTING RATES?**

16 **A.** Yes. FirstEnergy proposes eliminating each operating company's existing
17 retail rates for generation, transmission, and distribution services, and
18 replacing them with distribution-only rates effective January 1, 2009. As
19 part of this proposal, FirstEnergy significantly reduced the number of rate
20 schedules available to customers and assigned customers to rates primarily
21 on the basis of voltage level of service. For example, Ohio Edison's rates
22 (and applicable riders) will be reduced from more than 20 to 8, and its
23 general service customers will be served under Rates GS (secondary), GP
24 (primary), GSU (subtransmission), and GT (transmission).

25 **Q. WHAT HAPPENS ON JANUARY 1, 2009?**

26 **A.** Under FirstEnergy's proposal, customers will have to find service and rate
27 options different from those offered under the companies' existing
28 generation, transmission, and distribution rates. Customers who acquire

1 competitive generation service from another supplier will purchase
2 distribution-only service from a FirstEnergy operating company.
3 Alternatively, customers that choose not to acquire generation service
4 from a competing supplier *may be able* to continue buying generation,
5 transmission, and distribution services from a FirstEnergy company if such
6 an option is developed and approved. However, considerable uncertainty
7 exists whether this option will actually be available to customers on
8 January 1, 2009.

9 **Q. WHAT IS THE NATURE OF THIS UNCERTAINTY?**

10 **A.** FirstEnergy has proposed market-based Standard Service Offer rates in
11 Case Nos. 07-796-EL-ATA and 07-797-EL-AAM. These rates are
12 supposed to be available on January 1, 2009, to any customer that wants to
13 continue buying generation—as well as transmission, and distribution—
14 services from a FirstEnergy company. Whether FirstEnergy's SSO rates
15 are in place on January 1, 2009, is far from certain. Two key factors
16 underlie this uncertainty:

- 17 ■ Opposition to FirstEnergy's SSO proposal.
- 18 ■ Ongoing legislative initiatives.

19 Regarding the first factor, numerous stakeholders have objected to various
20 elements of FirstEnergy's proposed SSO mechanism. Moreover, the
21 Commission Staff has urged the Commission to reject the proposal. More
22 specifically, the Staff stated:

23 There are large uncertainties as to whether sufficient or fair
24 competition exists to discipline price and service quality. The
25 restructuring of Ohio's electric generation business has thus far
26 failed to produce an efficient, competitive retail market that can
27 meet the needs of the state's economy in an affordable, reliable
28 and sustainable manner. Likewise, staff questions the fairness
29 and efficiency of the wholesale market that should support and

1 enable retail competition and customer choice. Staff's concerns
2 regarding FirstEnergy's proposal for a CBP [Competitive Bid
3 Process] derive from this lack of market development. We
4 conclude that it is still premature to release the prices for the
5 Companies' standard service offer customers to market forces
6 as they exist today.²

7
8 Neither retail nor wholesale electricity market have developed
9 sufficiently to warrant confidence in a CBP process that relies
10 on the fairness and efficiency of those markets. Staff therefore
11 recommends the Commission reject the CBP as a means of
12 establishing the price of a standard service offer for its
13 customers.³

14 With respect to the second factor mentioned earlier, Ohio's General
15 Assembly is considering new legislation (S.B. 221) that would not only
16 allow utilities to offer *regulated* (instead of market) standard service
17 offers, but also impose stricter, more explicit requirements for any utility
18 that wants to offer a market-based standard service offer. If these
19 provisions are enacted, they would significantly reduce the probability that
20 FirstEnergy's competitive SSO proposal could be approved as currently
21 structured.

22 **Q. DOES THE DISTRIBUTION-ONLY RATE PROPOSAL CREATE**
23 **SUBSTANTIAL RISK FOR CUSTOMERS?**

24 **A.** Yes. In proposing new distribution-only rates, the FirstEnergy companies
25 have ignored risks that customers face if they choose not to acquire
26 generation service from a competitive supplier by January 1, 2009, and

² *Staff Comments on the FirstEnergy Companies' Proposed Competitive Bid Process*, Case Nos. 07-796-EL-ATA and 07-797-EL-AAM, September 21, 2007, at 1-2.

³ *Ibid* at 17.

1 FirstEnergy's SSO rate proposals are not in place by that date. I do not
2 object to FirstEnergy's effort to establish a set of distribution-only rates
3 that will be available if and when customers are able to buy generation
4 services in a viable, workably competitive market. However, replacing
5 existing rates for generation, transmission, and distribution services
6 without comparable replacement rates in place is both foolhardy and
7 economically dangerous.

8 **Q. WHAT DO YOU RECOMMEND?**

9 **A.** I recommend that the Commission require the FirstEnergy operating
10 companies to retain their existing rates for generation, transmission, and
11 distribution services—including existing rates for interruptible service—
12 until Commission-approved SSO or comparable replacement rates are in
13 place. Customers did not ask for and should not be forced to bear risks
14 associated with uncertainty about the competitiveness of electricity
15 markets in Ohio. The Commission can and should provide customers with
16 certainty that on January 1, 2009, rates for regulated generation,
17 transmission, and distribution services will be available.

18 **INTERRUPTIBLE RATES**

19 **Q. UNDER THE OPERATING COMPANIES' PROPOSAL, WOULD**
20 **INTERRUPTIBLE SERVICE RATES BE AVAILABLE TO**
21 **CUSTOMERS ON JANUARY 1, 2009?**

22 **A.** No. FirstEnergy's distribution-only proposal eliminates all existing
23 interruptible rates and riders—for example, Ohio Edison's Rate 29 and
24 Riders 73, 74, and 75.

1 **Q. COULD ELIMINATING INTERRUPTIBLE RATES**
2 **POTENTIALLY IMPOSE SIGNIFICANT FINANCIAL AND**
3 **BUSINESS RISKS FOR SUCH INTERRUPTIBLE CUSTOMERS**
4 **AS NUCOR?**

5 **A.** Yes. FirstEnergy's proposal to eliminate all current interruptible rates and
6 riders creates two problems. First, as I noted earlier, rates for SSO service
7 may not be available on January 1, 2009.⁴ The non-availability of SSO
8 rates may be particularly problematic for current electricity-intensive
9 interruptible customers that choose not to acquire generation service from
10 a competitive supplier. Second, by eliminating interruptible rates,
11 FirstEnergy has ignored the potential benefits of interruptible service for
12 distribution service.

13 **Q. DO INTERRUPTIBLE LOADS PROVIDE TANGIBLE BENEFITS?**

14 **A.** Yes. Interruptible load can and should be a significant element of any
15 utility's demand-response programs. Interruptible load has long been
16 recognized as a means to reduce generating capacity requirements and a
17 substitute for such ancillary services as spinning and operating reserves.
18 Interruptible load expands the range of resources available to meet
19 contingencies, lowers customer costs, and can even be used to mitigate
20 price volatility and curb potential market power problems. Under certain
21 conditions, interruptible load may also create distribution-related benefits,
22 including capacity upgrade deferrals, reliability enhancements, and
23 equipment life extensions. In addition, interruptible load can create
24 environmental benefits when used to displace fossil generation during
25 peak periods—thereby reducing greenhouse gas emissions.

26 As I noted earlier, interruptible load can be used in wholesale markets
27 to reduce prices and price volatility. For example, market-clearing prices

⁴ As I noted earlier, FirstEnergy's proposed market-based SSO rates in Case Nos. 07-796-EL-ATA and 07-797-AAM include an interruptible program.

1 fell by \$100-\$200/MWh on a peak day in August 2006 in the Midwest ISO
2 when interruptible load was used in response to a call for demand
3 reductions.⁵ FERC has also issued an advance notice of proposed
4 rulemaking to consider how to increase demand response in wholesale
5 markets as a means of lowering price volatility, shaping a region's load
6 profile, and reducing market prices.⁶ Various states have also initiated
7 efforts to increase and expand demand-response programs.

8 **Q. DOES THE MIDWEST ISO CURRENTLY OFFER TESTED AND**
9 **ROBUST DEMAND-RESPONSE PROGRAMS?**

10 **A.** No. The Midwest ISO's demand-response programs are in their infancy,
11 and are neither well-developed nor robust. More importantly, the
12 Commission should not rely on the Midwest ISO to fulfill the need for
13 effective and robust demand-response programs. For example, a recent
14 national study supported the need for retail demand-response programs to
15 compete with and potentially displace supply-side peaking resources.⁷

16 **Q. SHOULD THE COMMISSION LET THE OPERATING**
17 **COMPANIES ELIMINATE THEIR INTERRUPTIBLE RATES**
18 **AND RIDERS AT THIS TIME?**

19 **A.** No. In my opinion, the Commission should first ensure that any
20 Commission-approved SSO or comparable rates for the FirstEnergy
21 operating companies include reasonable and comprehensive interruptible
22 service options. Until such rates are approved, the Commission should
23 require FirstEnergy to leave existing interruptible rates and riders in place.

⁵ Federal Energy Regulatory Commission Staff Report, *2007 Assessment of Demand Response and Advanced Metering* at 6-7 (September 2007).

⁶ Federal Energy Regulatory Commission, Docket Nos. RM07-19-000 and AD07-7-000, *Advanced Notice of Proposed Rulemaking on Wholesale Competition in Regions with Organized Wholesale Markets* at 25-26 (2007).

⁷ Nicole Hopper, Charles Goldman, Ranjit Bhavirkar and Dan Engel, Lawrence Berkeley National Laboratory, *The Summer of 2006: A Milestone in the Ongoing Maturation of Demand Response* at 11 (May 2007).

1 In addition, the Commission should require the companies to develop and
2 propose interruptible service options in their distribution-only rates. Such
3 rates are necessary to maximize and capture potential distribution system
4 benefits created by interruptible loads. For example, these benefits may
5 include enhanced distribution reliability and reduced distribution
6 infrastructure requirements.

7 **BILLING DEMAND**

8 **Q. HAS THE CALCULATION OF BILLING DEMAND BEEN**
9 **CHANGED UNDER THE PROPOSED DISTRIBUTION-ONLY**
10 **RATES?**

11 **A.** Yes. FirstEnergy has revised the calculation of billing demand for
12 customers served under General Service rate schedules. Under
13 FirstEnergy's proposal, monthly billing demand will now be the greater of
14 the customer's highest 30-minute demand (kVA), a stated demand (varies
15 by General Service rate schedule), or contract demand (set to reflect the
16 customer's expected, typical monthly peak load). Under current general
17 service rates, the calculation of monthly billing demand also includes a
18 ratchet. For example, in Ohio Edison's Rate GT, the ratchet is 60 percent
19 of the customer's highest billing demand in the preceding 11 months.

20 **Q. DO YOU AGREE WITH THE PROPOSED BILLING DEMAND**
21 **PROVISIONS?**

22 **A.** No. FirstEnergy's proposal has at least two problems. First, for customers
23 served at transmission or subtransmission voltages, the billing demand
24 measures ignore load diversity on the distribution system at these
25 voltages—despite the fact that FirstEnergy recognizes such diversity in the
26 coincident peak (summer 3CP) method it uses to allocate transmission and
27 subtransmission plant costs. As a result, cost recovery for transmission

1 and subtransmission customers under FirstEnergy's proposed rates is
2 inconsistent with cost allocation.

3 Second, the 30-minute measurement period differs from the 60-minute
4 measurement period used by the Midwest ISO and other wholesale
5 markets. This creates a load-management problem for customers—
6 particularly certain manufacturers—buying competitive generation service
7 as they try to manage loads on both a 60-minute and 30-minute basis
8 during the same 60-minute period. For example, under a situation with
9 different demand-measurement periods for generation and distribution
10 services, it would be possible during any 60-minute period for an Ohio
11 Edison Rate GT customer's loss-adjusted distribution service demand to
12 exceed the customer's generation demand. Such a situation adds nothing
13 but unnecessary complexity for manufacturers served at high voltages as
14 they try to manage loads during production cycles.

15 **Q. HOW SHOULD BILLING DEMAND BE DETERMINED?**

16 **A.** At a minimum, FirstEnergy's proposed billing demand provisions for
17 transmission and subtransmission customers should be changed. I
18 recommend calculating the monthly billing demand for such customers to
19 reflect the higher of a customer's maximum 60-minute demand during
20 system peak hours as determined by the Commission, or a specified
21 percentage (for example, 60 percent as in Ohio Edison's current Rate GT)
22 of the customer's highest billing demand in the preceding 11 months.
23 These changes would improve the linkage between cost allocation and cost
24 recovery, link demand measurements between wholesale and retail
25 markets, and provide a fair and reasonable means for the FirstEnergy
26 companies to recover their distribution costs. If contract demand is used
27 in the billing demand formula as FirstEnergy has proposed, then I
28 recommend expressing the contract demand component of billing demand

1 as a ratchet percentage (for example, 60 percent) of the stated contract
2 demand.

3 I have a final comment regarding a related issue. FirstEnergy has
4 proposed adding a provision in the Contract section of its general service
5 rates that would give an operating company the right at any time to require
6 a new customer contract for any customer whose capacity or service
7 requirements increase. In my opinion, the provision as written is arbitrary
8 and unnecessary. FirstEnergy has not demonstrated that such increases
9 actually cause an operating company to add capacity, and also has not
10 shown that a billing demand formula similar to the one I have
11 recommended would not adequately recover any incremental costs that
12 might be caused by such increases. The provision as written should be
13 rejected.

14 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

15 **A.** Yes.

APPENDIX A

QUALIFICATIONS OF

DENNIS W. GOINS

DENNIS W. GOINS

PRESENT POSITION

Economic Consultant, Potomac Management Group, Alexandria, Virginia.

AREAS OF QUALIFICATION

- Competitive Market Analysis
- Costing and Pricing Energy-Related Goods and Services
- Utility Planning and Operations
- Litigation Analysis, Strategy Development, Expert Testimony

PREVIOUS POSITIONS

- Vice President, Hagler, Bailly & Company, Washington, DC.
- Principal, Resource Consulting Group, Inc., Cambridge, Massachusetts.
- Senior Associate, Resource Planning Associates, Inc., Cambridge, Massachusetts.
- Economist, North Carolina Utilities Commission, Raleigh, North Carolina.

EDUCATION

College	Major	Degree
Wake Forest University	Economics	BA
North Carolina State University	Economics	ME
North Carolina State University	Economics	PhD

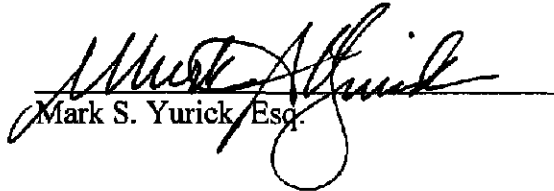
RELEVANT EXPERIENCE

Dr. Goins specializes in pricing, planning, and market structure issues affecting firms that buy and sell products in electricity and natural gas markets. He has extensive experience in evaluating competitive market conditions, analyzing power and fuel requirements, prices, market operations, and transactions, developing product pricing strategies, setting rates for energy-related products and services, and negotiating power supply and natural gas contracts for private and public entities. He has participated in more than 100 cases as an expert on competitive market issues, utility restructuring, power market planning and

operations, utility mergers, rate design, cost of service, and management prudence before the Federal Energy Regulatory Commission, the General Accounting Office, the First Judicial District Court of Montana, the Circuit Court of Kanawha County, West Virginia, and regulatory commissions in Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Oklahoma, South Carolina, Texas, Utah, Vermont, Virginia, and the District of Columbia. He has also prepared an expert report on behalf of the United States regarding pricing and contract issues in a case before the United States Court of Federal Claims.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Direct Testimony of Dr. Dennis W. Goins was served upon the following parties of record or as a courtesy, via ordinary U.S. Mail postage prepaid, express mail, hand delivery, or electronic transmission, on January 10, 2008.


Mark S. Yurick Esq.

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