

FILE

BOEHM, KURTZ & LOWRY

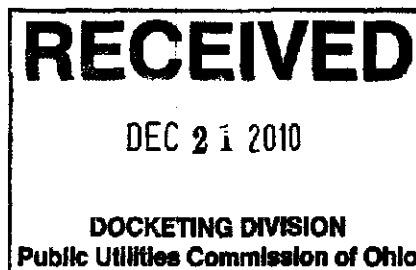
ATTORNEYS AT LAW
 36 EAST SEVENTH STREET
 SUITE 1510
 CINCINNATI, OHIO 45202
 TELEPHONE (513) 421-2255
 TELECOPIER (513) 421-2764

FAX

Via Telefax Transmission and
Overnight Mail

December 21, 2010

Public Utilities Commission of Ohio
 PUCO Docketing
 180 E. Broad Street, 10th Floor
 Columbus, Ohio 43215

In re: Case No. 10-2586-EL-SSO

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies of the DIRECT TESTIMONY AND EXHIBITS OF STEPHEN J. BARON ON BEHALF OF THE OHIO ENERGY GROUP fax-filed today in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,

David F. Boehm, Esq.
 Michael L. Kurtz, Esq.
 BOEHM, KURTZ & LOWRY

MLKkew

Encl.

Cc: Certificate of Service

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
 Technician Sue Date Processed DEC 22 2010

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 21st day of December, 2010 to the following:



David F. Boehm, Esq.
Michael L. Kurtz, Esq.

DUKE ENERGY OHIO INC
ROOM 2500 ATRIUM II P O BOX 960
CINCINNATI OH 45201-0960

SPILLER, AMY
DUKE ENERGY BUSINESS SERVICES, INC.
221 E. FOURTH STREET, 25 AT II
CINCINNATI OH 45202

FIRSTENERGY SERVICE COMPANY
76 SOUTH MAIN STREET
AKRON OH 44306

INDUSTRIAL ENERGY USERS OF OHIO
SAMUEL C. RANDAZZO, GENER
21 E. STATE STREET, 17TH FLOOR
COLUMBUS OH 43215

OHIO ADVANCED ENERGY
SALLY BLOOMFIELD ATTORNEY
100 SOUTH THIRD ST
COLUMBUS OH 43215-4291

WARNOCK, MATTHEW W ATTORNEY
BRICKER & ECKLER LLP
100 S THIRD STREET
COLUMBUS OH 43215

PEOPLE WORKING COOPERATIVELY, INC.
JOCK J. PITTS
4612 PADDOCK RD
CINCINNATI OH 45229

*CHRISTENSEN, MARY W. MS.
CHRISTENSEN CHRISTENSEN DONCHATZ KETTLEWELL & OWEN
100 EAST CAMPUS VIEW BLVD., SUITE 360
COLUMBUS OH 43235

*REISINGER, WILL MR.
OHIO ENVIRONMENTAL COUNCIL
1207 GRANDVIEW AVENUE
COLUMBUS OH 43212

D'ASCENZO, ROCCO ATTORNEY AT LAW
CINCINNATI GAS & ELECTRIC CO.
139 EAST FOURTH ST, ROOM
2500 25TH FLOOR, ATRIUM II BUILDING
CINCINNATI OH 45201-0960

VERRETT, KYLE L
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

*CHAMBERLAIN, RICK D MR.
BEHRENS WHEELER & CHAMBERLAIN
6 NE 63RD STREET SUITE 400
OKLAHOMA CITY OK 73105

GARBER, GRANT W
JONES DAY
PO BOX 165017 SUITE 800
COLUMBUS OH 43216-5017

WEISHAAR JR, ROBERT A
MCNEES, WALLACE & NURICK LLC
FIFTH THIRD CENTER 21 EAST STATE STREET, SUITE 1700
COLUMBUS OH 43216-4228

AEP RETAIL ENERGY PARTNERS LLC
ANNE M. VOGEL
1 RIVERSIDE PLAZA, 29TH FLOOR
COLUMBUS OH 43215

OSTERKAMP, KEVIN J. ATTORNEY AT LAW
ROETZEL & ANDRESS
155 EAST BROAD STREET 12TH FLOOR
COLUMBUS OH 43215

CITY OF CINCINNATI
MR JEFF VENTRE
3300 COLERAIN AVE SUITE 260
CINCINNATI OH 45225

O'BRIEN, THOMAS
BRICKER & ECKLER LLP
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

COLUMBUS SOUTHERN POWER COMPANY
1 RIVERSIDE PLAZA
COLUMBUS OH 43215

CONSTELLATION ENERGY COMMODITIES, GROUP, INC.
GEORGE PLEAT
500 DALLAS STREET SUITE 3210
HOUSTON TX 77002-4723

CONSTELLATION NEWENERGY INC
100 CONSTELLATION WAY STE 600C
BALTIMORE MD 21202

DUKE ENERGY RETAIL SALES, LLC
PAUL SMITH
138 EAST FOURTH STREET EA 600
CINCINNATI OH 45202

EAGLE ENERGY, LLC
DONALD J. MARSHALL, PRESI
4485 BRIDGETOWN ROAD, SUITE 1
CINCINNATI OH 45211-4439

KROGER COMPANY, THE
MR. DENIS GEORGE
1014 VINE STREET-307
CINCINNATI OH 45202-1100

OHIO CONSUMERS' COUNSEL
10 W. BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

OHIO MANUFACTURERS ASSOCIATION
ERIC L. BURKLAND, PRESIDENT
33 NORTH HIGH STREET
COLUMBUS OH 43215-3005

OHIO PARTNERS FOR AFFORDABLE ENERGY
RINEBOLT DAVID C
231 WEST LIMA ST. PO BOX 1793
FINDLAY OH 45839-1793

OHIO POWER COMPANY
LEGAL DEPARTMENT
1 RIVERSIDE PLAZA
COLUMBUS OH 43215

RETAIL ENERGY SUPPLY ASSOCIATION (RESA)
STEPHEN HOWARD
82 E. GAY ST.
COLUMBUS OH 43215

SATTERWHITE, MATTHEW
1 RIVERSIDE PLAZA 29TH FLOOR
COLUMBUS OH 43215

HOTZ, ANN
ATTORNEY AT LAW
OFFICE OF CONSUMERS' COUNSEL 10 W. BROAD STREET, SUITE 1800
COLUMBUS OH 43215

*PETRICOFF, M HOWARD
VORYS SATER SEYMOUR AND PEASE LLP
52 E. GAY STREET P.O. BOX 1008
COLUMBUS OH 43216-1008

DORTCH, MICHAEL D. ATTORNEY
KRAVITZ, BROWN & DORTCH, LLC
85 E. STATE STREET STE 200
COLUMBUS OHIO 43215

*HART, DOUGLAS E. MR.
DOUGLAS E. HART, ATTORNEY AT LAW
441 VINE STREET SUITE 4182
CINCINNATI OH 45202

*SCHULENBERG, CHRISTINE
CHESTER WILCOX & SAXBE LLP
85 E. STATE STREET SUITE 1000
COLUMBUS OH 43215

VERRETT, KYLE L
10 WEST BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

MCALISTER, LISA G
BRICKER & ECKLER
100 SOUTH THIRD STREET
COLUMBUS OH 43215-4291

*RINEBOLT, DAVID C MR.
OHIO PARTNERS FOR AFFORDABLE ENERGY
231 W LIMA ST PO BOX 1793
FINDLAY OH 45840-1793

REISINGER, WILLIAM T.
1207 GRANDVIEW AVENUE, SUITE 201
COLUMBUS OH 43212-3449

HOWARD, STEPHEN M.
VORYS, SATER, SEYMOUR AND PEASE LLP
52 EAST GAY STREET, P O BOX 1008
COLUMBUS OH 43216-1008

SAM'S CLUB EAST, LP
608 SW 8TH ST.
BENTONVILLE AR 72712-6097

THE GREATER CINCINNATI HEALTH COUNCIL

2100 SHERMAN AVENUE, SUITE 100
CINCINNATI OH 45212-2775

CONSTELLATION ENERGY COMMODITIES, GROUP, INC.
GEORGE PLEAT
500 DALLAS STREET SUITE 3210
HOUSTON TX 77002-4723

CONSTELLATION NEWENERGY, INC.
CYNTHIA FONNER BRADY, SEN
550 W. WASHINGTON ST., SUITE 300
CHICAGO IL 312-704-85

WAL-MART STORES EAST, LP
702 SW 8TH STREET, DEPT 8916
BENTONVILLE AR 72716-0500

*HART, DOUGLAS E. MR.
DOUGLAS E. HART, ATTORNEY AT LAW
441 VINE STREET SUITE 4182
CINCINNATI OH 45202

BRADY, CYNTHIA FONNER
CONSTELLATION ENERGY RESOURCES LLC
550 W WASHINGTON ST SUITE 300
CHICAGO IL 60661

*PETRICOFF, M HOWARD
VORYS SATER SEYMOUR AND PEASE LLP
52 E. GAY STREET P.O. BOX 1008
COLUMBUS OH 43216-1008

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

IN RE:	IN THE MATTER OF THE APPLICATION)	
	OF DUKE ENERGY FOR APPROVAL OF)	
	A MARKET RATE OFFER TO CONDUCT)	CASE NO. 10-2586-EL-SSO
	A COMPETITIVE BIDDING PROCESS FOR)	
	STANDARD SERVICE OFFER ELECTRIC)	
	GENERATION SUPPLY, ACCOUNTING)	
	MODIFICATIONS, AND TARIFFS FOR)	
	GENERATION SERVICE)	

DIRECT TESTIMONY

OF

STEPHEN J. BARON

**ON BEHALF OF
THE OHIO ENERGY GROUP**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

December 2010

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

IN RE:	IN THE MATTER OF THE APPLICATION) OF DUKE ENERGY FOR APPROVAL OF) A MARKET RATE OFFER TO CONDUCT) A COMPETITIVE BIDDING PROCESS FOR) STANDARD SERVICE OFFER ELECTRIC) GENERATION SUPPLY, ACCOUNTING) MODIFICATIONS, AND TARIFFS FOR) GENERATION SERVICE)	CASE NO. 10-2536-EL-SSO
--------	---	-------------------------

TABLE OF CONTENTS

I.	QUALIFICATIONS AND SUMMARY	1
II.	DUKE'S 29 MONTH MRO "BLENDING" PROPOSAL IS CONTRARY TO THE STATUTORY 5 YEAR MINIMUM BLENDING PERIOD AND IS DETRIMENTAL TO CONSUMERS	5
III.	TRANSMISSION RIDERS, MISO EXIT FEE AND MTEP COSTS SHOULD BE DECIDED IN A SEPARATE CASE.....	19

J. Kennedy and Associates, Inc.

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and business address.

A. My name is Stephen J. Baron. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

Q. What is your occupation and by who are you employed?

A. I am the President and a Principal of Kennedy and Associates, a firm of utility rate, planning, and economic consultants in Atlanta, Georgia.

Q. Please describe briefly the nature of the consulting services provided by Kennedy and Associates.

A. Kennedy and Associates provides consulting services in the electric and gas utility industries. Our clients include state agencies and industrial electricity consumers. The firm provides expertise in system planning, load forecasting, financial analysis, cost-of-service, and rate design. Current clients include the Georgia and Louisiana Public Service Commissions, and industrial and commercial customer consumers throughout the United States. My educational background and professional experience are summarized on Baron Exhibit __ (SJB-1).

Q. On whose behalf are you testifying in this proceeding?

J. Kennedy and Associates, Inc.

1 A. I am testifying on behalf of The Ohio Energy Group ("OEG"), a group of large
2 industrial customers of Duke Energy Ohio. The members of OEG who take service
3 from the Companies are: AK Steel Corporation, Air Products and Chemicals, Inc.,
4 Ford Motor Company, GE Aviation, and The Procter & Gamble Co. .

5
6 **Q. Have you previously presented testimony in Duke Energy Ohio cases?**

7 A. Yes. I have previously testified in Case Nos. 91-372-EL-UNC, 91-410-EL-AIR and
8 99-1658-EL-ETP (the Company's restructuring case in which rates were unbundled
9 and the Company was restructured to implement retail competition).

10
11 **Q. Have you previously presented testimony in Standard Service Offer ("SSO")**
12 **cases in Ohio?**

13 A. Yes. I have testified in a number of ESP and MRO cases involving the First Energy
14 Companies and the American Electric Power Companies in Ohio. This includes
15 Case Nos. 08-935-EL-SSO, 08-936-EL-SSO, 08-917-EL-SSO, 08-918-EL-SSO and
16 09-906-EL-SSO.

17
18 **Q. What is the purpose of your testimony?**

19 A. I am addressing a number of issues raised by the Company's 2010 MRO filing
20 associated with its requested rates and riders, as well as related issues raised in the
21 Company's filing related to its discussion of a proposed transfer of legacy generation
22 assets to an unregulated affiliate. Specifically, I will address the Company's request

1 to materially shorten the 5 year minimum statutory MRO transition period required
2 pursuant to R.C. 4928.142(D), (the "blending period"), to two years and, effectively
3 remove the discretion from the Commission to extend the transition period for up to
4 10 years.¹ As part of this discussion, I will also address the Company's proposed
5 transfer of its legacy generation assets. While Duke is not specifically requesting
6 approval in this case for the transfer, the Company has introduced this issue and it is
7 inexorably tied to the proposed shortening of the 5 year minimum statutory MRO
8 blending period to two years.

9
10 I will also address the Company's proposal to implement a transmission cost
11 recovery mechanism designed to recover, on a non-bypassable basis, costs incurred
12 as a result of Duke's withdrawal from the Midwest Independent System Operator,
13 Inc. ("MISO") so that the Company can join PJM. The Company is seeking
14 approval to recover MISO exit fees and MISO transmission expansion plan costs
15 ("MTEP") in this case. As I will discuss, there is nothing, to my knowledge, in the
16 MRO statute that requires the Commission to address transmission cost recovery
17 within the 90 day accelerated timeframe for MRO decision making. Given the
18 complexity of the transmission issues raised in the Company's filing, particularly the
19 prudence of the transfer from MISO to PJM, the Commission should reject the
20 Company's transmission cost recovery proposals in this case.

¹ Because of its request to align the MRO transition period with the PJM June 1 to May 31 delivery year, the first year of the Company's two year MRO comprises the 17 month period January 1, 2012 to May 31, 2013. Thus, the two year MRO will be in effect for 29 months.

1

2 Q. Would you please summarize your testimony?

3 A. Yes.

- 4 ▪ The Commission should reject Duke Energy Ohio's proposed
5 MRO because it fails to meet the requirements of R.C.
6 4928.142(D), which requires a five year minimum transition
7 period in which market rates are blended with the existing ESP
8 SSO rate. The Company's proposed blending period terminates
9 after 29 months. R.C. 4928.142(D) requires a 60 month (five
10 year) minimum blending period with potential extensions of a
11 blended rate for an additional five years. The Company's
12 proposal does not provide for the level of consumer protection
13 required in R.C. 4928.142(D) and should therefore be rejected
14 by the Commission.
15
- 16 ▪ While Duke is not specifically requesting approval in this case to
17 transfer its legacy generation assets to an affiliate, the
18 Commission should be aware that a generation transfer would
19 effectively preclude any blending of the ESP SSO rate with
20 market rates once the assets have been transferred. Approval of
21 the transfer would thus remove a key element of the MRO
22 transition protections required by S.B 221.
23
- 24 ▪ The Commission should reject the Company's proposed
25 transmission riders, BTR and RTO. The Commission should
26 require the Company to re-file its request in a separate
27 proceeding, not tied to the 90-day MRO review proceeding. The
28 MRO has a statutory time frame for a Commission decision that
29 is very brief and does not lend itself to the evaluation of other
30 issues, such as the Company's transmission cost recovery
31 proposals. The issues raised by the Company's request for
32 transmission cost recovery are complex and require a full
33 evaluation by the Commission, including an opportunity for the
34 Commission to consider prudence issues in evaluating the
35 reasonableness of cost recovery of a MISO exit fee and ongoing
36 MTEP charges.
37
38

J. Kennedy and Associates, Inc.

1 **II. DUKE'S 29 MONTH MRO "BLENDING" PROPOSAL IS**
2 **CONTRARY TO THE STATUTORY 5 YEAR MINIMUM BLENDING**
3 **PERIOD AND IS DETRIMENTAL TO CONSUMERS**
4

5 **Q. Would you please discuss the Company's proposal to shorten the MRO**
6 **transition period to 29 months, from the 5 year minimum provision provided**
7 **for in R.C. 4928.142(D)?**

8 **A. As discussed in the Application and the testimony of a number of Company**
9 **witnesses (e.g., James Rogers, Julia Janson, Judah Rose, William Don Wathen, Jr.),**
10 **Duke is requesting that the Commission approve an MRO transition period that**
11 **terminates in 29 months (January 1, 2012 to May 31, 2014) and moves to a 100%**
12 **market rate beginning June 1, 2014. This is in contrast to the 5 year, 60 month**
13 **minimum transition period described in S.B 221.**
14

15 **Q. Would you explain your understanding of the statutory transition period**
16 **provided for in R.C. 4928.142(D) under the MRO option available to Duke**
17 **Energy Ohio?**

18 **A. Yes. This provision requires a rate transition from the existing SSO price to full**
19 **market based pricing over a minimum of 5 years for an electric distribution utility**
20 **that owned generating resources as of July 31, 2008 that had been used and useful,**
21 **which would include Duke Energy Ohio. The specific language requires that "a**
22 **portion of the utility's standard service offer load for the first five years of the market**

J. Kennedy and Associates, Inc.

1 rate offer be competitively bid under division (A) of this section as follows: ten per
2 cent of the load in year one and not less than twenty per cent in year two, thirty per
3 cent in year three, forty per cent in year four, and fifty percent in year five." While I
4 am not offering a legal opinion on the interpretation of this provision, it clearly sets
5 out a minimum five year transition period before implementing 100% market rates.
6

7 **Q. Does the Company agree that there should be a "portion" of the standard**
8 **service load bid during each of the first five years?**

9 **A.** No, unless one interprets "portion" as meaning 100% in years three, four and five.
10 Duke's proposal is to terminate the transition at the end of month 29 (as opposed to
11 month 60). The Company, through the testimony of Mr. Wathen and other witnesses
12 requests that the Commission adjust the blending requirement spelled out in the
13 statute. Table 1 below compares Duke's proposed blending period to the statutory
14 schedule that I quoted in my prior answer.

J. Kennedy and Associates, Inc.

1

<p>Table 1 Comparison of Duke MRO Blending to R.C. 4928.142(D)</p>				
<u>MRO Year</u>	<u>Duke Proposal</u>		<u>R.C. 4928.142(D)</u>	
	<u>SSO</u>	<u>Market</u>	<u>SSO</u>	<u>Market</u>
1	90%	10%	90%	10%
2.1 - 2.5	90%	10%	80%	20%
2.6 - 2.12	80%	20%	80%	20%
3.1 - 3.5	0%	100%	70%	30%
3.6 - 3.12	0%	100%	70%	30%
4	0%	100%	60%	40%
5	0%	100%	50%	50%
6*	0%	100%	?	?
7*	0%	100%	?	?
8*	0%	100%	?	?
9*	0%	100%	?	?
10*	0%	100%	?	?

* Pursuant to R.C. 4928.142(E), blending may be extended through year 10.

2

3

4 **Q. What is the basis for Duke's request to change the blending schedule**
5 **established in R.C. 4928.142(D)?**

6 **A.** First, the Company argues that R.C. 4928.142(D) permits the Commission to modify
7 the blending schedule prospectively in year two of the MRO. This is clearly a legal
8 argument and will be addressed by OEG in briefing. More substantively, Duke
9 offers the testimony of Judah Rose that addresses projected ESP SSO rates and
10 projected market rates and concludes that "the MRO price will also be equal to the
11 ESP price and the retail market price" by 2014, which is the year in which the

J. Kennedy and Associates, Inc.

1 Company's proposed transition is terminated (specifically, the blended rate
2 terminates on May 31, 2010, at which time the MRO SSO rates are at 100% market
3 pricing). Effectively, the Company's "substantive" argument in support of its
4 truncated 29 month transition period is that by 2014, according to Mr. Rose, there
5 will be no difference (or at least no significant difference) between the ESP SSO
6 rates and market rates, so a blending would result in the same rates as 100% market.
7 Of course, if Mr. Rose's projections are wrong, market rates could substantially
8 exceed the otherwise applicable blended ESP SSO/Market rates.
9

10 **Q. With a five year blending period, 100% market rates would not be**
11 **implemented until 2017. Does Mr. Rose offer market rate projections for the**
12 **years 2015 through 2016?**

13 **A. No, he provides projections only through 2014. He does note on page 24 of his**
14 **Direct Testimony that "2014 prices are 40% above the prices of the last 12 months**
15 **and 52% above 2009 prices." Since Mr. Rose expects substantial increases in**
16 **markets prices through 2014, which closes the gap with the Company's ESP SSO**
17 **rates by May of 2014, it certainly seems reasonable to believe that market rates could**
18 **begin accelerating beyond the ESP SSO rates in 2015 and 2016. If market rates**
19 **increase in price beyond the ESP SSO rates in 2015 and 2016, then that would**
20 **precisely be the time that ratepayers need the protection afforded by the statutory**
21 **minimum 5 year blend.**
22

J. Kennedy and Associates, Inc.

1 **Q. Have you made any projections of ESP SSO or market rates for Duke?**

2 A. No. Nor have I evaluated the reasonableness of Mr. Rose's projections through
3 2014. My concern is that Duke's customers will not be afforded the protections
4 envisioned in R.C. 4928.142(D) by virtue of the Company's truncated blending
5 period. A central argument of the Company in this case appears to be that, based on
6 Mr. Rose's projections there is no benefit of further blending beyond May 31, 2014,
7 even though the statute would permit at least a full five year transition period.²

8
9 **Q. If the ESP SSO rates and retail market rates will be roughly identical by 2014,**
10 **as predicted by Mr. Rose, would Duke receive essentially the same level of SSO**
11 **revenues under a 29 month transition period and a 60 month blending schedule**
12 **as called for in R.C. 4928.142(D)?**

13 A. Yes. Of course, as I discussed earlier, Duke does not offer projections beyond 2014
14 so it may be the case that Duke MRO SSO revenues will be higher as a result of the
15 Company's truncated blending proposal.

16
17 **Q. Are there other reasons cited by Company witnesses in support of their**
18 **truncated blending period?**

19 A. Yes. Mr. Wathen discusses at pages 11 and 12 of his testimony the Company's
20 proposal to transfer its legacy generation assets to an affiliate on or before May 31,

² As I discussed previously, I am not offering a statutory interpretation either in support of or against the Company's apparent position that the Commission has discretion whether to terminate the blending period after 29 months.

1 2014. Assuming that such a plan is approved by the Commission (which I oppose,
2 as I will discuss subsequently), Mr. Wathen argues that the blended rate following
3 asset transfer would be comprised of a weighted average of the price of power
4 purchased under a Purchased Power Agreement ("PPA") and a market rate. Since
5 the PPA would logically be priced at market as well, Mr. Wathen argues that once
6 the legacy generation assets have been transferred, there would be no need for any
7 blending of the ESP SSO rate and market rates.

8
9 **Q. If the Commission denied the Company's request to transfer the legacy**
10 **generation assets during the MRO transition, which could be as long as 10**
11 **years, would Mr. Wathen's argument be applicable?**

12 **A. No. This argument in support of a shortened blending period only has merit if the**
13 **Company is permitted to transfer its legacy generation assets to an affiliate within a**
14 **29 month period. If the Commission denies the legacy generation asset transfer**
15 **request, then customers would continue to be protected during the full five year**
16 **minimum transition period ending in December 2016, and perhaps up to an**
17 **additional five years beyond. Unless the Commission denies the legacy generation**
18 **asset transfer, Duke's retail customers would effectively face SSO rates set at 100%**
19 **market even if the five year or longer transition period is adopted by the**
20 **Commission.**

21
J. Kennedy and Associates, Inc.

1 If Duke's generation assets are transferred to an unregulated affiliate that is not
2 subject to this Commission's jurisdiction, then Duke would look like FirstEnergy.
3 This would mean that consumers would not have access to ESP SSO generation at
4 legacy pricing. This would harm consumers, which is presumably why the MRO
5 statute contains a 5-10 year transition to full market pricing for those who do not
6 shop for competitive generation.
7

8 **Q. The Company has argued in its testimony (for example, James Rogers at page**
9 **13, line 7 of his Direct Testimony) that the current ESP plan provides Duke's**
10 **retail customers a "free option" that permits customers to choose between the**
11 **lower of market rates and the ESP SSO rates without any compensation to the**
12 **Company. Do you have a response to the Company on this issue?**

13 **A. Yes. While it is correct that pursuant to S.B. 221 Duke's customers are permitted to**
14 **switch to competitive retail supplies, while Duke is required to offer SSO service at**
15 **ESP SSO rates, this is purpose of the ESP and, during the transition period, the**
16 **purpose of the MRO. It provides protection to retail customers while at the same**
17 **time provides opportunities for consumers to participate in the competitive retail**
18 **market. While Duke is entitled to apply for an MRO under S.B. 221, it is my**
19 **understanding that the Commission is not authorized to alter the consumer protection**

J. Kennedy and Associates, Inc.

1 mechanism underlying an MRO, which clearly calls for a minimum five year
2 transition, with specified blended rates.³

3
4 **Q. Is the MRO transition period limited to a maximum of five years?**

5 A. No. As provided for in R.C. 4928.142(E), the Commission can extend the MRO
6 blending period for up to a total of ten years "as counted from the effective date of
7 the approved market rate offer."

8
9 **Q. Under what conditions can the Commission alter the blending proportions and
10 extend the blending period up to a total of ten years?**

11 A. Under R.C. 4928.142(E) the Commission can make such an alteration annually
12 beginning in the second year of a blended price. Specifically, the statutory language
13 states that the Commission "may alter prospectively the proportions specified in that
14 division to mitigate any effect of an abrupt or significant change in the electric
15 distribution utility's standard service offer price that would otherwise result in
16 general or with respect to any rate group or rate schedule but for such alternation.
17 Any such alternation shall be made not more often than annually, and the
18 commission shall not, by altering those proportions and in any event, including
19 because of the length of time, as authorized under division (C) of this section, taken

³ "The standard service offer price for retail electric generation service under this first application shall be a proportionate blend of the bid price and the generation service price for the remaining service offer load ..." (R.C. 4928.142(D)).

1 to approve the rate offer, cause the duration of the blending period to exceed ten
2 years as counted from the effective date of the approve market rate offer."
3

4 This provision provides further consumer protection during the MRO transition and
5 effectively permits the Commission to evaluate the potential rate impact on
6 customers annually, beginning in the second year of the blending period. To the
7 extent that market rates may cause an abrupt or significant change in the MRO SSO
8 price, the Commission has the authority to alter the blending period, including
9 extending the blending period for up to an additional five years (in this case,
10 December 31, 2021). This is a necessary consumer protection because of the very
11 volatile nature of electric generation pricing.
12

13 **Q. The Commission's rules governing an MRO [4901:1-35-03 (B)(2)(j)] require**
14 **that the electric utility "provide its best current estimate of anticipated**
15 **adjustment amounts for the duration of the blending period, and compare the**
16 **projected adjusted generation service prices under the CBP plan to the**
17 **projected adjusted generation service prices under its proposed electric security**
18 **plan." Has the Company complied with this rule in its filing?**

19 **A. No, not in my opinion. Because Duke did not present any legacy ESP rate**
20 **projections or projected market prices under the CBP plan beyond 2014, the**
21 **requested termination year for Duke's MRO blending, the Company did not comply**
22 **with the Commission's rules. As discussed by Duke witness Judah Rose, he**

1 developed projections for the period up to the requested termination of the
2 Company's MRO in 2014. While Mr. Rose predicts that the legacy ESP prices will
3 be close to market prices by the time of the proposed termination of the MRO
4 blending period, there is no evidence presented regarding adjusted legacy ESP prices
5 and market prices for MRO years beyond the 29 month blending period proposed by
6 Duke. These years would include months 30 through 60 (five years).

7
8 **Q. Duke witness Rose projects that the legacy ESP prices and market prices will**
9 **converge by the time of the Company's proposed termination of blending.**
10 **Assuming for the sake of argument that Mr. Rose's projections are correct**
11 **would you still be opposed to the Company's proposal?**

12 **A. Yes. Duke's proposed 29 month transition plan effectively transfers substantial risk**
13 **to retail consumers. The blending provisions in R.C. 4928.142(D) establish a**
14 **schedule that shares the risk and rewards of market pricing between Duke's**
15 **shareholders and its retail customers. Duke is proposing to substantially shorten this**
16 **blending period and also to eliminate the potential relief available to the Commission**
17 **pursuant to R.C. 4928.142(E) to extend the blending through year 10 of the MRO. If**
18 **adopted by the Commission, market risk would be shifted towards customers**
19 **because there would no longer be a legacy ESP price option available to customers in**
20 **years 3, 4 and 5 (and possibly longer) in the event that market prices began to**
21 **escalate substantially above the adjusted ESP price. Thus, even if Mr. Rose is**

J. Kennedy and Associates, Inc.

1 correct, customers are being harmed, relative to R.C. 4928.142(D), because of the
2 shift in risk under the Company's plan.
3

4 **Q. What is your recommendation to the Commission on the MRO blending**
5 **period?**

6 **A.** First, I recommend that the Commission reject the Company's request to terminate
7 the MRO transition blending period after 29 months. As I discussed, irrespective of
8 the Company's forecasted market prices, there is no reason to deny Duke's
9 customers the protection afforded by S.B. 221, specifically R.C. 4928.142(D).
10 Rather, the Commission should require a full five year minimum blending period
11 consistent with the provisions of R.C. 4928.142(D). In addition, the Commission
12 should establish annual reviews by the Commission Staff and other parties of the
13 current market rates and the impact on the blended MRO SSO rate charged to
14 customers. To the extent that such annual reviews find that the five year blending
15 period may result in an abrupt or significant change in general SSO rates or the SSO
16 rates of a specific rate class or rate schedule, the Commission should make
17 appropriate changes in the blending proportions and evaluate whether an extension
18 of the blending period up to ten years is appropriate.
19

20 **Q. In light of your recommendation regarding the blending period, do you have**
21 **any comments on the Company's proposed transfer of its legacy generation**
22 **assets to an affiliate?**

J. Kennedy and Associates, Inc.

1 A. Yes. Though Duke is not specifically requesting approval of its proposed legacy
2 generation transfer in this case (see Direct Testimony of Julia Janson at page 15, line
3 6), the Company has indicated its plan to seek approval for such a transfer. The
4 transfer would occur on or before the end of the proposed 29 month transition period
5 (May 31, 2014). Clearly, in the event that such a legacy generation asset transfer
6 occurs during the period January 1, 2012 through December 31, 2021, the
7 Commission would effectively be denied the ability to mitigate the impact of market
8 based rates through the blending provisions of R.C. 4928.142(D) and R.C.
9 4928.142(E). As such, I do not believe that the Commission should authorize such a
10 transfer until the MRO blending period of 5-10 years is over.

11

12 Q. Would you summarize your recommendation to the Commission regarding the
13 Company's MRO plan?

14 A. The Commission should reject Duke Energy Ohio's proposed MRO because it fails
15 to meet the requirements of R.C. 4928.142(D), which requires a minimum five year
16 transition period in which market rates are blended with the existing ESP SSO rate.
17 As discussed in my testimony, the Company's proposed blending period terminates
18 after 29 months. R.C. 4928.142(D) requires a 60 month (five year) blending period
19 with potential extensions of a blended rate for an additional five years. The
20 Company's proposal does not provide for the level of consumer protection required
21 in R.C. 4928.142(D) and should therefore be rejected by the Commission.

22

J. Kennedy and Associates, Inc.

1 In addition, while Duke is not specifically requesting approval in this case to transfer
2 its legacy generation assets to an affiliate, the Commission should be aware that such
3 approval would effectively preclude any blending of the ESP SSO rate with market
4 rates once the assets have been transferred. Approval of the transfer would thus
5 remove a key element of the MRO transition protections required by S.B 221.
6

7 **Q. On pages 13 and 14 of his testimony, Mr. Wathen discusses the Company's**
8 **proposal to forgo adjustments to the ESP component of the blended generation**
9 **rate for changes in fuel, purchased power and environmental costs, if the**
10 **Company's "Blending Period ends before June 1, 2014," but would make such**
11 **adjustments quarterly if the Blending Period is extended.⁴ Do you have any**
12 **comments on his testimony on this issue?**

13 **A. Yes. While it is correct that R.C. 4928.142(D)(1) through R.C. 4928.142(D)(4)**
14 **permits such adjustments to the "most recent standard service offer price," the statute**
15 **places an earnings test on the ability of the Company to recover any such**
16 **adjustments. Specifically, R.C. 4928.142(D) states as follows:**

17 **The commission shall also determine how such adjustments will affect**
18 **the electric distribution utility's return on common equity that may be**
19 **achieved by those adjustments. The commission shall not apply its**
20 **consideration of the return on common equity to reduce any**
21 **adjustments authorized under this division unless the adjustments will**
22 **cause the electric distribution utility to earn a return on common equity**
23 **that is significantly in excess of the return on common equity that is**
24 **earned by publicly traded companies, including utilities, that face**
25 **comparable business and financial risk, with such adjustments for**
26 **capital structure as may be appropriate. The burden of proof for**

⁴ Wathen Direct at page 13, lines 15 and 16 and at page 14, lines 4 to 6.

1 demonstrating that significantly excessive earnings will not occur shall
2 be on the electric distribution utility. (emphasis added).
3

4 The statute clearly requires the Company to establish ("burden of proof") each time
5 that it files for adjustments to its ESP rate for fuel and purchased power costs, and
6 environmental costs that these adjustments will not result in significantly excessive
7 earnings. This is an additional consumer protection provided by the MRO; cost
8 increases for the ESP portion of the blended rate are not necessarily recoverable
9 because the approval of the adjustments depends on the utility's projected return on
10 equity.
11

J. Kennedy and Associates, Inc.

**III. TRANSMISSION RIDERS, MISO EXIT FEE AND MTEP COSTS SHOULD
BE DECIDED IN A SEPARATE CASE**

Q. Would you please summarize your understanding of the Company's proposal to recover transmission costs through a Base Transmission Rider ("BTR") and an RTO rider ("RTO")?

A. Yes. As a result of Duke's voluntary withdrawal from MISO and realignment into PJM, Duke is proposing to recover most of its transmission costs through a non-bypassable rider (Rider BTR). Currently, shopping customers pay for transmission costs through charges paid to a Competitive Retail Electric Service ("CRES") provider. Only SSO customers pay Duke directly for transmission service. As discussed in the Testimony of Duke witness William Don Wathen, Jr., the Company is proposing Rider BTR, which is to recover basic network integrated transmission service costs (NITS), as well as some other transmission costs billed to the Company by PJM on the basis of total retail load (not just SSO load). However, Rider BTR would also recover all costs incurred as a result of the Company's withdrawal from MISO and on-going MISO transmission expansion costs for which the Company has a continuing liability. The first of these two costs is an exit fee imposed on Duke by MISO as a result of its voluntary withdrawal from MISO. The second charge represents Duke's ongoing liability for MISO Transmission Expansion Plan ("MTEP") costs for projects approved by MISO while Duke was a MISO member. Duke's MTEP liability includes the costs of major transmission projects that have 40

1 to 50 year useful lives. These transmission projects will provide little or no benefit to
2 ratepayers once the move to PJM is complete.

3
4 The second rider, Rider RTO is a bypassable charge that is designed to recover costs
5 strictly related to serving SSO load. Shopping customers would not pay charges for
6 Rider RTO. According to Mr. Wathen, these RTO charges are billed directly to load
7 serving entities and thus, for shopping customers, these costs would be recovered
8 through CRES charges. Included in these RTO charges are: RTO "administrative
9 fees, ancillary services charges, revenue sufficiency guarantees, etc."⁵

10
11 **Q. Do you have any concerns with the Company's proposed transmission cost**
12 **recovery riders?**

13 **A.** Yes. The key concern that I have with the Company's proposal is that it would
14 automatically permit Duke to fully recover all MISO exit fees and MTEP charges
15 from ratepayers. As I will more fully discuss below, the decision to withdraw from
16 MISO and join PJM was a unilateral decision made by the Company, with full
17 knowledge of the financial consequences, specifically the imposition of an exit fee
18 by MISO. With regard to the ongoing MTEP charges associated with the costs of
19 MISO construction projects approved during Duke's membership, customers are
20 being asked to pay these costs even though Ohio ratepayers will receive little or no
21 benefit because Duke will no longer be a member of MISO, and Duke will incur

⁵ Wathen Direct Testimony at page 26, footnote No. 6.

1 PJM RTEP costs (regional transmission expansion plan) that it will also charge to
2 ratepayers. Duke is asking ratepayers to pay for the transmission expansion costs of
3 its former RTO (MISO), as well as for the transmission expansion costs of its new
4 RTO (PJM).

5
6 While I am not specifically addressing the reasonableness of Duke's request to
7 recover these MISO charges, or the legal issues involving federal preemption and the
8 prudence of choice exception to the filed rate doctrine (Pike County doctrine), it is
9 certainly questionable whether the decision to withdraw from MISO and join PJM
10 was reasonable and in the interests of its customers. As such, the Company's actions
11 raise an issue of prudence that may justify the Commission disallowing some or all
12 of these MISO costs. OEG counsel has advised me that the prudence of Duke's
13 decision to withdraw from MISO and join PJM is a legitimate issue that can be
14 addressed by the Commission in its evaluation of cost recovery. The outcome of
15 such an evaluation could have an impact on the recoverability of these MISO costs
16 from Duke's ratepayers.

17
18 **Q. Has the Company presented any economic analysis in this MRO case that**
19 **would support its decision to withdraw from MISO and join PJM?**

20 **A. No.** Duke witness Kenneth Jennings identifies three benefits of joining PJM. These
21 are: 1) the joint ownership with PJM utilities of some of the Company's generation
22 assets, 2) the benefit of all utilities in Ohio being a member of a single RTO (Duke

1 would be the only non-PJM Ohio utility if it had not realigned into PJM), and 3) the
2 benefit of PJM's forward capacity market. None of these benefits have been
3 quantified in any manner to my knowledge, nor have these benefits been compared
4 to the costs of withdrawal from MISO. This information would be material in any
5 Commission evaluation of the decision by the Company to join PJM and approve
6 cost recovery of RTO charges.⁶
7

8 **Q. Has the Federal Energy Regulatory Commission ("FERC") approved Duke's**
9 **withdrawal from MISO and its request to join PJM?**

10 **A.** Yes. In its October 21, 2010 Order Addressing RTO Realignment Request (FERC
11 Docket Nos. ER10-1562 and ER10-2254), the FERC approved the withdrawal of
12 Duke from MISO and its realignment into PJM, including Duke's proposed Fixed
13 Resource Requirement Integration Plan (FRR Integration Plan). The FERC
14 specifically did not address the recovery of any MISO exit fees or MTEP costs that
15 may be imposed by MISO on Duke, declined to make "a general statement regarding
16 a withdrawing transmission-owning utility's transmission planning and cost
17 obligation to its former RTO and new RTO," and whether Ohio retail customers
18 should be charged the costs associated with any exit fees or MTEP costs imposed by
19 MISO on Duke.⁷

⁶ While the FERC has previously determined that such a cost/benefit analysis is not required to support a decision to switch RTO's, it is my understanding from OEG Counsel that the Ohio Commission can make such a determination in its consideration of a request for cost recovery of RTO charges.

⁷ FERC Order of October 21, 2010 at paragraphs 73, 74 and 75.

1

2 **Q. What is your recommendation to the Commission on the Company's request**
3 **for approval of Riders BTR and RTO?**

4 **A. I recommend that the Commission reject these riders in this case and require the**
5 **Company to re-file its request in a separate proceeding, not tied to the MRO approval**
6 **proceeding. The MRO has a statutory time frame for a Commission decision that is**
7 **very brief and does not lend itself to the evaluation of other issues, such as the**
8 **Company's transmission cost recovery proposals. There is nothing, to my**
9 **knowledge, in the S.B. 221 that requires the Commission to make a determination on**
10 **transmission cost recovery mechanisms within an MRO case and within the limited**
11 **timeframe provided for an MRO determination. The issues raised by the Company's**
12 **request for transmission cost recovery are complex and require a full evaluation by**
13 **the Commission, including an opportunity for the Commission to consider prudence**
14 **issues. The Company's request in this case is not an approval for withdrawing from**
15 **MISO and joining PJM; rather it is for cost recovery only. Duke will not join PJM**
16 **until January 2012, providing sufficient time for a full consideration by the**
17 **Commission of this issue outside the confines of an accelerated MRO proceeding.**

18

19 **Q. Does that complete your Direct Testimony?**

20 **A. Yes.**

J. Kennedy and Associates, Inc.

**BEFORE THE
PUBLIC UTILITY COMMISSION OF OHIO**

IN RE:	IN THE MATTER OF THE APPLICATION OF DUKE ENERGY FOR APPROVAL OF A MARKET RATE OFFER TO CONDUCT A COMPETITIVE BIDDING PROCESS FOR STANDARD SERVICE OFFER ELECTRIC GENERATION SUPPLY, ACCOUNTING MODIFICATIONS, AND TARIFFS FOR GENERATION SERVICE)))))))))	CASE NO. 10-2586-EL-SSO
--------	---	---	-------------------------

EXHIBIT

OF

STEPHEN J. BARON

**ON BEHALF OF
THE OHIO ENERGY GROUP**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

Professional Qualifications

Of

Stephen J. Baron

Mr. Baron graduated from the University of Florida in 1972 with a B.A. degree with high honors in Political Science and significant coursework in Mathematics and Computer Science. In 1974, he received a Master of Arts Degree in Economics, also from the University of Florida. His areas of specialization were econometrics, statistics, and public utility economics. His thesis concerned the development of an econometric model to forecast electricity sales in the State of Florida, for which he received a grant from the Public Utility Research Center of the University of Florida. In addition, he has advanced study and coursework in time series analysis and dynamic model building.

Mr. Baron has more than thirty years of experience in the electric utility industry in the areas of cost and rate analysis, forecasting, planning, and economic analysis.

Following the completion of my graduate work in economics, he joined the staff of the Florida Public Service Commission in August of 1974 as a Rate Economist. His responsibilities included the analysis of rate cases for electric, telephone, and gas utilities, as well as the preparation of cross-examination material and the preparation of staff recommendations.

In December 1975, he joined the Utility Rate Consulting Division of Ebasco Services, Inc.

J. KENNEDY AND ASSOCIATES, INC.

as an Associate Consultant. In the seven years he worked for Ebasco, he received successive promotions, ultimately to the position of Vice President of Energy Management Services of Ebasco Business Consulting Company. His responsibilities included the management of a staff of consultants engaged in providing services in the areas of econometric modeling, load and energy forecasting, production cost modeling, planning, cost-of-service analysis, cogeneration, and load management.

He joined the public accounting firm of Coopers & Lybrand in 1982 as a Manager of the Atlanta Office of the Utility Regulatory and Advisory Services Group. In this capacity he was responsible for the operation and management of the Atlanta office. His duties included the technical and administrative supervision of the staff, budgeting, recruiting, and marketing as well as project management on client engagements. At Coopers & Lybrand, he specialized in utility cost analysis, forecasting, load analysis, economic analysis, and planning.

In January 1984, he joined the consulting firm of Kennedy and Associates as a Vice President and Principal. Mr. Baron became President of the firm in January 1991.

During the course of his career, he has provided consulting services to more than thirty utility, industrial, and Public Service Commission clients, including three international utility clients.

J. KENNEDY AND ASSOCIATES, INC.

He has presented numerous papers and published an article entitled "How to Rate Load Management Programs" in the March 1979 edition of "Electrical World." His article on "Standby Electric Rates" was published in the November 8, 1984 issue of "Public Utilities Fortnightly." In February of 1984, he completed a detailed analysis entitled "Load Data Transfer Techniques" on behalf of the Electric Power Research Institute, which published the study.

Mr. Baron has presented testimony as an expert witness in Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Maryland, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia, West Virginia, Wisconsin, Wyoming, the Federal Energy Regulatory Commission and in United States Bankruptcy Court. A list of his specific regulatory appearances follows.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdct.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co.	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	B30470-El	FL	Florida Industrial Power Users' Group	Florida Power Corp.	Allocation of fixed costs, load and capacity balance, and reserve margin. Diversification of utility.
10/84	84-199-U	AR	Arkansas Electric Energy Consumers	Arkansas Power and Light Co.	Cost allocation and rate design.
11/84	R-842851	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Interruptible rates, excess capacity, and phase-in.
1/85	85-65	ME	Airco Industrial Gases	Central Maine Power Co.	Interruptible rate design.
2/85	1-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	8243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3496-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-248	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of Santa Clara	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdct.	Party	Utility	Subject
6/85	84-768-E-42T	WV	West Virginia Industrial Intervenor	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
6/85	E-7 Sub 381	NC	Carolina Industrials (CIGFUR III)	Duke Power Co.	Cost-of-service, rate design, interruptible rate design.
7/85	29046	NY	Industrial Energy Users Association	Orange and Rockland Utilities	Cost-of-service, rate design.
10/85	85-043-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Regulatory policy, gas cost-of-service, rate design.
10/85	85-63	ME	Airco Industrial Gases	Central Maine Power Co.	Feasibility of interruptible rates, avoided cost.
2/86	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/86	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-GI	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/88	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010

Date	Case	Jurisdct.	Party	Utility	Subject
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel filing and examine the reasonableness of MP's claims.
5/87	86-824-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic dispatching of pumped storage hydro unit.
5/87	9781	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Analysis of impact of 1986 Tax Reform Act.
6/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Economic prudence, evaluation of Vogtle nuclear unit - load forecasting, planning.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in plan for River Bend Nuclear unit.
7/87	85-10-22	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Methodology for refunding rate moderation fund.
8/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Test year sales and revenue forecast.
9/87	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-880025	PA	Pennsylvania Industrial Intervenor		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/	MN	Taconite	Minnesota Power	Excess capacity, power and

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdic.	Party	Utility	Subject
	GR-87-223		Intervenor	& Light Co.	cost-of-service, rate design.
10/87	8702-El	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue forecasting, weather normalization.
12/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light Power Co.	Excess capacity, nuclear plant phase-in.
3/88	10064	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Revenue forecast, weather normalization rate treatment of cancelled plant.
3/88	87-183-TF	AR	Arkansas Electric Consumers	Arkansas Power & Light Co.	Standby/backup electric rates.
5/88	870171C001	PA	GPU Industrial Intervenor	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenor	Pennsylvania Electric Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
7/88	88-171-EL-AIR 88-170-EL-AIR Interim Rate Case	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison	Financial analysis/need for interim rate relief.
7/88	Appeal of PSC	19th Judicial Docket U-17282	Louisiana Public Service Commission Circuit Court of Louisiana	Gulf States Utilities	Load forecasting, imprudence damages.
11/88	R-880989	PA	United States Steel	Carnegie Gas	Gas cost-of-service, rate design.
11/88	88-171-EL-AIR 88-170-EL-AIR	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison. General Rate Case.	Weather normalization of peak loads, excess capacity, regulatory policy.
3/89	870218/283 284/286	PA	Amco Advanced Materials Corp. Allegheny Ludlum Corp.	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010

Date	Case	Jurisdiet.	Party	Utility	Subject
8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
8/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudencia - Palo Verde Nuclear Units 1, 2 and 3, load forecasting.
10/89	2262	NM	New Mexico Industrial Energy Consumers	Public Service Co. of New Mexico	Fuel adjustment clause, off-system sales, cost-of-service, rate design, marginal cost.
11/89	38728	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Excess capacity, capacity equalization, jurisdictional cost allocation, rate design, interruptible rates.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Jurisdictional cost allocation, O&M expense analysis.
5/90	890386	PA	GPU Industrial Intervenor	Metropolitan Edison Co.	Non-utility generator cost recovery.
6/90	R-901609	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Allocation of QF demand charges in the fuel cost, cost-of-service, rate design.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost-of-service, rate design, revenue allocation.
12/90	U-9346 Rebuttal	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Demand-side management, environmental externalities.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, jurisdictional allocation.
12/90	90-205	ME	Airco Industrial Gases	Central Maine Power Co.	Investigation into interruptible service and rates.
1/91	90-12-03 Interim	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Interim rate relief, financial analysis, class revenue allocation.
5/91	90-12-03 Phase II	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Revenue requirements, cost-of-service, rate design, demand-side management.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdic.	Party	Utility	Subject
8/91	E-7, SUB SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand- side management.
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments.
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was proffered on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co. and proposed merger with Southern Bell Telephone Co.	Analysis of South Central Bell's restructuring and
12/91	81-410- EL-AIR	OH	Armco Steel Co., Air Products & Chemicals, Inc.	Cincinnati Gas & Electric Co.	Rate design, interruptible rates.
12/91	P-880286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Evaluation of appropriate avoided capacity costs - OF projects.
1/92	C-913424	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Industrial interruptible rate.
6/92	92-02-19	CT	Connecticut Industrial Energy Consumers	Yankee Gas Co.	Rate design.

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010

Date	Case	Jurisdct.	Party	Utility	Subject
8/92	2437	NM	New Mexico Industrial Intervenor	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenor	Metropolitan Edison Co.	Cost-of-service, rate design, energy cost rate.
9/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
10/92	M-00920312 C-007	PA	The GPU Industrial Intervenor	Pennsylvania Electric Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
12/92	U-17949	LA	Louisiana Public Service Commission Staff	South Central Bell Co.	Management audit.
12/92	R-00922376	PA	Armco Advanced Materials Co. The WPP Industrial Intervenor	West Penn Power Co.	Cost-of-service, rate design, energy cost rate, SO ₂ allowance rate treatment.
1/93	8487	MD	The Maryland Industrial Group	Baltimore Gas & Electric Co.	Electric cost-of-service and rate design, gas rate design (flexible rates).
2/93	E002/GR- 92-1185	MN	North Star Steel Co. Praxair, Inc.	Northern States Power Co.	Interruptible rates.
4/93	EC92 21000 ER92-806- 000 (Rebuttal)	Federal Energy Regulatory Commission	Louisiana Public Service Commission Staff	Gulf States Utilities/Energy agreement.	Merger of GSU into Entergy System; impact on system
7/93	93-0114- E-C	WV	Airco Gases	Monongahela Power Co.	Interruptible rates.
8/93	930759-EG	FL	Florida Industrial Power Users' Group	Generic - Electric Utilities	Cost recovery and allocation of DBM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.
11/93	346	KY	Kentucky Industrial Utility Customers	Generic - Gas Utilities	Allocation of gas pipeline transition costs - FERC Order 636.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Nuclear plant prudence, forecasting, excess capacity.

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010

Date	Case	Jurisdic.	Party	Utility	Subject
4/94	E-015/ GR-94-001	MN	Large Power Interventions	Minnesota Power Co.	Cost allocation, rate design, rate phase-in plan.
5/94	U-20178	LA	Louisiana Public Service Commission	Louisiana Power & Light Co.	Analysis of least cost integrated resource plan and demand-side management program.
7/94	R-00942986	PA	Armco, Inc.; West Penn Power Industrial Interventions	West Penn Power Co.	Cost-of-service, allocation of rate increase, rate design, emission allowance sales, and operations and maintenance expense.
7/94	94-0035- E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co.	Cost-of-service, allocation of rate increase, and rate design.
8/94	EC94-13-000	Federal Energy Regulatory Commission	Louisiana Public Service Commission	Gulf States Utilities/Entergy	Analysis of extended reserve shutdown units and violation of system agreement by Entergy.
9/94	R-00943-081 R-00943-081C0001	PA	Lehigh Valley Power Committee	Pennsylvania Public Utility Commission	Analysis of interruptible rate terms and conditions, availability.
9/94	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Evaluation of appropriate avoided cost rate.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements.
10/94	5258-U	GA	Georgia Public Service Commission	Southern Bell Telephone & Telegraph Co.	Proposals to address competition in telecommunication markets.
11/94	EC94-7-000 FERC ER94-888-000		Louisiana Public Service Commission	El Paso Electric and Central and Southwest	Merger economics, transmission equalization hold harmless proposals.
2/95	941-430EG	CO	CF&I Steel, L.P.	Public Service Company of Colorado	Interruptible rates, cost-of-service.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Cost-of-service, allocation of rate increase, rate design, interruptible rates.
6/95	C-00913424 C-00948104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdiction	Party	Utility	Subject
8/85	ER85-112 -000	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Open Access Transmission Tariffs - Wholesale.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Company	Nuclear decommissioning, revenue requirements, capital structure.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	System Energy Resources, Inc.	Nuclear decommissioning, revenue requirements.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Nuclear decommissioning and cost of debt capital, capital structure.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Retail competition issues.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Revenue requirement analysis.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Elec. Co., Potomac Elec. Power Co., Constellation Energy Co.	Ratemaking issues associated with a Merger.
8/96	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.
6/97	Civil Action No. 94-11474	US Bank- ruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.
6/97	R-973963	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Retail competition issues, rate unbundling, stranded cost analysis.
6/97	8738	MD	Maryland Industrial Group	Generic	Retail competition issues

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdic.	Party	Utility	Subject
7/97	R-973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big River Electric Corp.	Analysis of cost of service issues - Big Rivers Restructuring Plan
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	R-974009	PA	Pennsylvania Electric Industrial Customer	Pennsylvania Electric Co.	Retail competition issues, rate unbundling, stranded cost analysis.
11/97	U-22481	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
11/97	P-971255	PA	Philadelphia Area Industrial Energy Users Group	Enron Energy Services Power, Inc./ PECO Energy	Analysis of Retail Restructuring Proposal.
12/97	R-973981	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
3/98 (Allocated Stranded Cost Issues)	U-22092	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Retail competition, stranded cost quantification.
3/98	U-22092		Louisiana Public Service Commission	Gulf States Utilities, Inc.	Stranded cost quantification, restructuring issues.
9/98	U-17735		Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Revenue requirements analysis, weather normalization.
12/98	8794	MD	Maryland Industrial Group and Millennium Inorganic Chemicals Inc.	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross- 40-000 Answering Testimony)	EC-98-	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdic.	Party	Utility	Subject
5/99 (Response Testimony)	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Performance based regulation, settlement proposal issues, cross-subsidies between electric, gas services.
6/99	98-0452	WV	West Virginia Energy Users Group	Appalachian Power, Monongahela Power, & Potomac Edison Companies	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Company	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	Adversary Proceeding No. 98-1065	U.S. Bankruptcy Court	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Motion to dissolve preliminary injunction.
7/99	99-03-06	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
12/99	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Analysis of Proposed Contract Rates, Market Rates.
03/00	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Evaluation of Cooperative Power Contract Elections
03/00	99-1656- EL-ETP	OH	AK Steel Corporation	Cincinnati Gas & Electric Co.	Electric utility restructuring, stranded cost recovery, rate Unbundling.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdct.	Party	Utility	Subject
08/00	98-0452 E-GI	WVA	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Electric utility restructuring rate unbundling.
08/00	00-1080 E-T 00-1051-E-T	WVA	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Electric utility restructuring rate unbundling.
10/00	SOAH 473- 00-1020 PUC 2234	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU, Inc.	Electric utility restructuring rate unbundling.
12/00	U-24993	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, revenue requirements.
12/00	EL00-86- 000 & ER00-2854 EL95-33-002	LA	Louisiana Public Service Commission	Entergy Services Inc.	Inter-Company System Agreement: Modifications for retail competition, Interruptible load.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Addressing Contested Issues	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Jurisdictional Business Separation - Texas Restructuring Plan
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Test year revenue forecast.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning requirements transmission revenues.
11/01	U-25985	LA	Louisiana Public Service Commission	Generic	Independent Transmission Company ("Transco"). RTO rate design.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design, resource planning and demand side management.
06/02	U-25985	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO Issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEP, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010

Date	Case	Jurisdic.	Party	Utility	Subject
08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff MS8-4.
11/03	ER03-583-000 ER03-583-001 ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001 ER03-682-002	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Market- ing, LP, and Entergy Power, Inc.	Evaluation of Wholesale Purchased Power Contracts.
12/03	U-27136	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc.	Evaluation of Wholesale Purchased Power Contracts.
01/04	E-01345-03-0437	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation rate design.
02/04	00032071	PA	Duquesne Industrial Intervenor	Duquesne Light Company	Provider of last resort issues.
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybdenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdiction	Party	Utility	Subject
04/04	2003-00433 2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service Rate Design
0-6/04	03S-539E	CO	Cripple Creek, Victor Gold Mining Co., Goodrich Corp., Hokim (U.S.), Inc., and The Trane Co.	Aquila, Inc.	Cost of Service, Rate Design Interruptible Rates
06/04	R-00049255	PA	PP&L Industrial Customer Alliance PPLCA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
10/04	04S-164E	CO	CF&I Steel Company, Climax Mines	Public Service Company of Colorado	Cost of service, rate design, Interruptible Rates.
03/05	Case No. KY 2004-00426 Case No. 2004-00421		Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
07/05	U-28155	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Independent Coordinator of Transmission - Cost/Benefit
08/05	Case Nos. WVA 05-0402-E-CN 05-0750-E-PC		West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Environmental cost recovery, Securitization, Financing Order
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses, Congestion Cost Recovery Mechanism
03/06	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Taxes and Louisiana Companies.
04/06	U-25115	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Transmission Prudence Investigation
06/06	R-00061346 C0001-0005	PA	Duquesne Industrial Intervenors & IECPA	Duquesne Light Co.	Cost of Service, Rate Design, Transmission Service Charge, Tariff Issues
06/06	R-00061366 R-00061367 P-00062213 P-00062214		Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Generation Rate Cap, Transmission Service Charge, Cost of Service, Rate Design, Tariff Issues
07/06	U-22092 Sub-J	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Taxes and Louisiana Companies.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisd.	Party	Utility	Subject
07/08	Case No. 2006-00130 Case No. 2006-00129	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/08	Case No. PUE-2006-00065	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Incr, Off-System Sales margin rate treatment
09/06	E-01345A-05-0816	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation, cost of service, rate design.
11/06	Doc. No. 97-01-15RE02	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. 06-0660-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Implementation of FERC Decision Jurisdictional & Rate Class Allocation
05/07	Case No. 07-63-EL-UNC	OH	Ohio Energy Group	Ohio Power, Columbus Southern Power	Environmental Surchage Rate Design
05/07	R-00049255 Remand	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
06/07	R-00072155	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues.
07/07	Doc. No. 07F-037E	CO	Gateway Canyons LLC	Grand Valley Power Coop.	Distribution Line Cost Allocation
09/07	Doc. No. 06-UR-103	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff issues, interruptible rates.
11/07	ER07-682-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Schedule MSS-3. Cost functionalization issues.
1/08	Doc. No. 20000-277-ER-07	WY	Climerex Energy Company	Rocky Mountain Power (PacifiCorp)	Vintage Pricing, Marginal Cost Pricing Projected Test Year
1/08	Case No. 07-551	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Class Cost of Service, Rate Restructuring, Apportionment of Revenue Increase to Rate Schedules
2/08	ER07-956	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
2/08	Doc No. P-00072342	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Default Service Plan Issues.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdct.	Party	Utility	Subject
3/08	Doc No. AZ E-01933A-05-0660		Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 WV E-GI		West Virginia Energy Users Group	Appalachian Power Co. American Electric Power Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. OH 08-124-EL-ATA		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. UT 07-035-93		Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. WI 6680-UR-116		Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff issues, interruptible rates.
09/08	Doc. No. WI 6690-UR-119		Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff issues, interruptible rates.
09/08	Case No. OH 08-936-EL-SSO		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. OH 08-935-EL-SSO		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
09/08	Case No. OH 08-917-EL-SSO 08-918-EL-SSO		Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Provider of Last Resort Rate Plan
10/08	2008-00251 KY 2008-00252		Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/08	08-1511 WV E-GI		West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/08	M-2008- 2036189, M- 2008-2036197	PA	Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Transmission Service Charge
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
01/09	E-01345A- 08-0172	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
02/09	2008-00409	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010

Date	Case	Jurisdct.	Party	Utility	Subject
5/09	PUE-2009-00018	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Transmission Cost Recovery Rider
5/09	09-0177-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost "ENEC" Analysis
6/09	PUE-2009-00016	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider
6/09	PUE-2009-00038	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider
7/09	080877-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
8/09	U-20925 (RRF 2004)	LA	Louisiana Public Service Commission Staff	Entergy Louisiana LLC	Interruptible Rate Refund Settlement
9/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Energy Cost Rate Issues
9/09	Doc. No. 05-UR-104	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff issues, interruptible rates.
9/09	Doc. No. 6680-UR-117	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff issues, interruptible rates.
10/09	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Allocation of Rev Increase
10/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Cost of Service, Rate Design
11/09	PUE-2009-00019	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Cost of Service, Rate Design
11/09	09-1485 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
12/09	Case No. 09-906-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
12/09	ER09-1224	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
12/09	Case No. PUE-2009-00030	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Increase, Rate Design

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of December 2010**

Date	Case	Jurisdic.	Party	Utility	Subject
2/10	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Rate Design
3/10	Case No. 09-1352-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
3/10	E015/ GR-09-1151	MN	Large Power Intervenor	Minnesota Power Co.	Cost of Service, rate design
4/10	EL09-51	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to off-system sales
4/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses.
4/10	2009-00549 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
7/10	R-2010- 2181575	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Company	Cost of Service, Rate Design
09/10	2010-00167	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design
09/10	10M-245E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Economic Impact of Clean Air Act
11/10	10-0699- E-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Cost of Service, Rate Design, Transmission Rider
11/10	Doc. No. 4220-JR-116	WI	Wisconsin Industrial Energy Group, Inc.	Northern States Power Co. Wisconsin	Cost of Service, rate design
12/10	10A-554EG	CO	CF&I Steel Company Climax Molybdenum	Public Service Company	Demand Side Management Issues

J. KENNEDY AND ASSOCIATES, INC.