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October 31, 2008

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

In re: Case Nos. 08-917-EL-SSO and 08-918-EL-SSO

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies each of the DIRECT TESTIMONY AND EXHIBITS OF CHARLES W. KING, LANE KOLLEN AND STEPHEN J. BARON on behalf of THE OHIO ENERGY GROUP previously fax-filed 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
Chairman Alan R. Schriber
Ronda Hartman Fergus
Valerie A. Lemmie
Paul A. Centolella
Cheryl Roberto
Kim Bojko, Hearing Examiner
Greta See, Hearing Examiner

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by ordinary mail, unless otherwise noted, this 31st day of October, 2008 to the individuals listed on the attached certificate of service:

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*Indicates that filer has agreed to be automatically served via electronic mail.

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus Southern Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan	)))))	Case No. 08-917-EL-UNC
and		
In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan	)))))	Case No. 08-918-EL-UNC

DIRECT TESTIMONY OF

CHARLES W. KING

ON BEHALF OF

OHIO ENERGY GROUP

SNAVELY KING MAJOROS O'CONNOR & BEDELL, INC.

October 31, 2008

DIRECT TESTIMONY OF

CHARLES W. KING

Q. Please state your name, position and business address.

A. My name is Charles W. King. I am President of the economic consulting firm of Snavely King Majoros O'Connor & Lee, Inc. ("Snavely King"). My business address is 1111 14th Street, N.W., Suite 300, Washington, D.C. 20005.

Q. Please describe Snavely King.

A. Snavely King, formerly Snavely, King & Associates, Inc., was founded by the late Carl M. Snavely and myself in 1970 to conduct research on a consulting basis into the rates, revenues, costs and economic performance of regulated firms and industries. The firm has a professional staff of 12 economists, accountants, engineers and cost analysts. Most of its work involves the development, preparation and presentation of expert witness testimony before federal and state regulatory agencies. Over the course of its 38-year history, members of the firm have participated in over 1000 proceedings before almost all of the state commissions and all Federal commissions that regulate the utilities or transportation industries.

Q. Have you prepared a summary of your qualifications and experience?

A. Yes. Attachment A is a summary of my qualifications and experience.

Q. Have you previously submitted testimony in regulatory proceedings?

A. Yes. Attachment B is a tabulation of my appearances as an expert witness before state and federal regulatory agencies.

Q. For whom are you appearing in this proceeding?

A. I am appearing on behalf of the Ohio Energy Group ("OEG"). The members of OEG who take service from Ohio Power or Columbus Southern Power are: AK Steel Corporation, ArcelorMittal USA, BP-Husky Refining, Brush Wellman, E.I., DuPont de Nemours & Company, Ford Motor Company, GE Aviation, Griffin Wheel, PPG Industries Inc., The Procter & Gamble Co., Republic Engineered Products, Inc., Severstal Wheeling (formerly Wheeling Pittsburgh Steel), and Worthington Industries.

Q. What is the objective of your testimony?

A. The objective of my testimony is to recommend a methodology for implementing the "significantly excessive earnings" test embodied in the Am. Substitute Senate Bill No. 221 ("S.B.221"). The significantly excessive earnings test is found in Section 4928.143(F) of the Revised Code of Ohio. Applied to 2007 data, the methodology I recommend results in thresholds for significantly excessive earnings as follows: Columbus Southern 14.20%; Ohio Power 14.23%.

Q. What does this section of S.B. 221 say?

A. Section (F) states as follows:

> With regard to the provisions that are included in an electric security plan under this section, the commission shall consider, following the end of each annual period of the plan, if any such adjustments resulted in excessive earnings as measured by whether the earned return on common equity of the electric distribution utility is significantly in excess of the return on common equity that was earned during the same period by publicly traded companies, including utilities, that face comparable business and financial risk, with such adjustments for capital structure as may be appropriate.

Q. In addition to meeting these statutory requirements, what other attributes should a "significantly excessive earnings" test have?

A. The test should be as simple and straightforward as possible, while still being fair to the utilities and their ratepayers. These criteria mean that the methodology for establishing the baseline return should be based on publicly available and clearly defined data, that it require a minimum of judgment or discretion, and that to the extent possible it should be equally applicable to all of the major electric utilities serving Ohio retail customers. Once the baseline is established, it is necessary for the Commission to use its judgment in setting the threshold over which earnings would be significantly excessive.

Q. How will you proceed to develop a methodology that conforms to these criteria?

A. The language requires the identification of a group or groups of utilities and other companies that bear the same business and financial risk as the subject Ohio electric utilities. Pursuant to this requirement, I will identify two comparison groups, one of utilities and the other of non-utilities. I will adjust the earned returns of each group to match the risks faced by the two AEP companies operating in Ohio. I will then average the utility and non-utility returns to derive a base line earned level of return. The final step is to apply an adder that describes the margin over this base line equity return that should be allowed before the earnings are considered significantly excessive.

Q. Have you identified utilities that are comparable to the AEP companies that provide retail electric service in Ohio?

A. Yes. The AEP companies – Columbus Southern and Ohio Power -- are both vertically integrated companies whose generation, distribution and transmission facilities are regulated by the Public Utilities Commission of Ohio ("PUCO") and the Federal Energy Regulatory Commission ("FERC"). Most of the publicly traded electric utility companies in the country conform to varying degrees to this pattern. Many still have their generation function regulated, but even those companies often engage in off-system sales at market based rates. For this reason, I have used the entire list of electric utilities, with one exception[1], in Value Line's Datafile. This list consists of 64 publicly traded companies.

Q. What was the average return on equity of these companies during the most recent year?

A. Schedule 1 of my Exhibit_____(CWK-1) presents the net income and the year-end equity amounts for each company for 2007 as reported in Value Line's Datafile. The average of the earned returns on equity for the 64 electric utilities is 10.68 percent.

Q. Have you identified non-utility companies that are comparable to the two AEP Ohio companies?

A. That is a more difficult task because non-utility companies are intrinsically different from utilities. None have franchised monopolies, and none have their earnings constrained or protected by rate base/rate-of-return regulation. However, the statute requires that an effort be made to find non-utility companies that are as close to the subject Ohio companies as possible. The earned returns of the resultant sample of companies can then be adjusted for any measurable differences in risk.

Accordingly, I began with the 5,688 companies that are found in the Value Line Datafile. I first eliminated the electric, gas and water utilities, which reduced the list to 5,587 companies. I then examined the capital intensity of the electric utilities and found that with only a handful of exceptions, the ratio of gross plant to revenue ranged between 1.2 and 5.0. Using these parameters, I found that 657 non-utility companies fall within these limits.

[1] That exception is the Evergreen Energy Co. which experienced a return on equity of -175% in 2007.

I then sought to eliminate small companies which would have higher return requirements than utilities, and particularly AEP which has over $46 billion in gross plant. Eliminating all companies with gross plant less than $1 billion reduced the list to 260 companies. Finally, I had to eliminate any companies for which Value Line had not calculated a beta, since I proposed to use the beta measure as the test of relative risk. The final list came to 219 companies. Those companies are listed in Schedule 2 of my Exhibit No._____(CWK-1).

Q. What was the average return on equity of these non-utility companies?

A. The average return on year-end 2007 equity of these companies was 14.14 percent?

Q. Can this return on equity be considered comparable to the Ohio AEP Companies?

A. No. These companies are much riskier than the AEP's Ohio utilities.

Q. How can you adjust the non-utilities' average return to match the risk of the two Ohio utilities of AEP?

A. For this purpose, I use the "beta" measure as generated by Value Line. Beta is a measure of the co-variance of each stock with that of the overall stock market. The overall stock market's beta is 1.00. To the extent that beta is greater than 1.00, the stock displays greater volatility and higher risk than the market. Betas less than 1.00 indicate less volatility and lower risk. The beta reflects all forms of risk, so it is the one comprehensive measure of risk that is available for most traded stocks.

The betas for each of the 219 comparable non-utility companies are presented in column H of Schedule 2 of Exhibit No._____(CWK-1). The average beta for the entire group is 1.08, reflecting the fact that these companies are, on average, more risky than the average for the market.

In order to adjust for this higher level of risk, I identified the average beta of the electric utility comparison group. That average, shown in Column E of Schedule 3 of Exhibit No._____(CWK-1), is .89, indicating a lower level of risk than the non-utility group.

On schedule 4 of my exhibit I adjust the average return for the 219 non-utility companies to reflect the much lower risk associated with utility operations. For this purpose, I use the Capital Asset Pricing Model, which applies the beta to a risk premium of stock returns over bond yields. While there are many measures of the risk premium, the average historical risk premium between 1926 and 2008 has averaged about seven percent.[2] Since we are measuring historical earned returns, this average is arguably appropriate for use as a risk adjustment. I apply the difference between the 1.08 beta of the non-utility group and the .89 beta of the utility group, which is .19, to the seven percentage point risk premium to derive an adjustment of 132 basis points, or 1.32 percent. A reduction of 1.32 percent to the average non-utility earned return of 14.14 percent yields a risk-adjusted return of 12.82 percent.

Q. You have now calculated the risk-adjusted equity returns of both the utilities and the non-utilities. Are there any further adjustments that need to be made?

A. Yes. There is one further adjustment that should be made, and that is to recognize the financial risk differences of the AEP Ohio companies relative to the utility and non-utility comparison groups. Columbus Southern has a ratio of equity to total capital of 47.3 percent, and Ohio Power has a ratio of 47.7 percent. Schedule 3 shows that the utility comparison group has a slightly less risky ratio of 49.2

[2] Stocks, Bonds, Bills and Inflation, 2008 Yearbook, Ibbotson Associates

percent, and Schedule 2 shows that the non-utility group's ratio is even less risky at 51.7 percent.

On Schedule 5 of Exhibit No._____(CWK-1), I have adjusted both the utility and non-utility equity returns to recognize these differences in financial risk resulting from different capital structures. In both cases, I have computed a pre-tax return on total capital using, as the cost of debt, the 7.31 percent September 2008 yield on Moody's Baa corporate bonds as reported by the Federal Reserve. I have used the average equity percentage of the 64 electric utilities of 49.2 percent from Schedule 3, and the non-utility equity percentage of 57.1 percent from Schedule 2.

My adjustment recognizes the fact that the level of earned pre-tax net operating income is independent of the capital structure. On line 9 of Schedule 5, I set the pre-tax return on capital at the levels of the 64 electric utilities (11.90%) and the risk adjusted non-utility sample (13.86%). I then derive the return on equity for each AEP company by subtracting the weighted debt cost (line 14) from the composite return on capital of each sample group (line 9). In line 16, I de-weight the equity returns, and in line 18 I apply the companies' tax factors to derive the return on equity for each AEP company based on the two samples of comparable companies. In line 20, I average those equity returns to derive the base line comparable return on year-end equity for each company. They are:

- Columbus Southern 12.20%
- Ohio Power 12.22%

Q. What adder is appropriate to take these base line equity returns to the level of "significantly excessive?"

A. Here, it is necessary for the Commission to exercise its own judgment because there is no objective, generally accepted measure of a "significantly excessive return." I suggest the use of the adders that the FERC awards to encourage investment by utilities in major innovative transmission lines. FERC provides a

50 basis point adder for participation in Regional Transmission Organizations and another adder of up to 150 basis points as an incentive for investment. FERC apparently regards that these adders are fully sufficient to encourage risky investments in transmission lines that must traverse difficult terrain and encounter siting resistance. Anything more would be significantly excessive.

Q. Using FERC's 200 basis point adder, what would be the threshold of "significantly excessive earnings" on common equity?

A. If we add 200 basis points to the base line returns on year-end equity, the thresholds of significantly excessive earnings are:

- Columbus Southern 14.20%
- Ohio Power 14.22%

Q. Are you recommending that the Commission adopt your methodology, but not these specific threshold numbers?

A. Yes. These threshold numbers are merely illustrative of the results that are derived from the methodology that I recommend. The first application of the significantly excessive earnings test will be in 2010 and based on earned returns in 2009. The numbers may be quite different then.

Q. With regard to the adder to the base line earned returns, why haven't you adopted the statistical confidence levels that the utilities' witnesses have recommended?

A. The use of statistical confidence ranges would limit any finding of excessive earnings to so few observations that the test would become a cipher. A two-tailed 95 percent confidence interval would mean that only 2.5 percent of all observations in the sample company groups would be deemed to have excessive earnings. A 90 percent confidence interval would increase that proportion to five percent. These intervals virtually ensure that no Ohio utility would ever be found to have experienced significantly excessive earnings.

Another objection to the use of set confidence intervals is that they "hard wire" the definition of significantly excessive earnings in a manner that provides the PUCO with little or no flexibility. As the testimony and exhibits of Dr. Makhija demonstrates, the application of a 95 percent confidence interval to utility and non-utility company equity returns can lead to a very high excessive earnings threshold based on 2007 data. But 2007 was a relatively prosperous year. It now appears that in 2009, the first year that the significantly excessive earnings test is applied, earnings will probably be dramatically lower. The application of the Dr. Makhija's 95 percent confidence interval will likely result in a much lower threshold, one that could conceivably deprive the AEP companies of what would otherwise be judged adequate earnings. The Commission must retain the flexibility to adjust its excessive earnings test to reflect the circumstances of the day.

Q. Does this complete you testimony?

A. Yes. It does.

Exhibit No._____(CWK-1)
Schedule 1

Comparable Electric Utilities
Return on Equity

	Name	Ticker Symbol	Year-end Common Equity	Pre Tax Income	Income Tax	Post-Tax Income	Return on Equity
			(Millions of Dollars)				
1	Allegheny Energy	AYE	2,534.7	666.8	250.8	416.0	16.41%
2	Allete	ALE	742.6	137.2	47.7	89.5	12.05%
3	Alliant Energy	LNT	2,662.5	576.6	255.8	320.8	12.05%
4	Ameren Corp	AEE	6,730.0	986.0	330.0	656.0	9.75%
5	AmericanElec Power	AEP	10,076.0	1,666.0	516.0	1,150.0	11.41%
6	Avista Corp	AVA	914.0	62.8	24.3	38.5	4.21%
7	Black Hills	BKH	969.9	145.8	45.6	100.1	10.32%
8	Central Vermont Public Svc.	CV	188.4	22.6	6.8	15.8	8.39%
9	Centerpoint Energy	CNP	1,810.0	594.0	195.0	399.0	22.04%
10	CH Energy Group	CHG	522.2	65.4	21.9	43.5	8.33%
11	Cleco Corp	CNL	1,009.9	105.2	25.6	79.6	7.88%
12	CMS Energy Corp	CMS	2,116.0	287.0	108.0	179.0	8.46%
13	Consolidated Edison	ED	8,852.0	1,388.0	452.0	936.0	10.57%
14	Constellation Energy	CEG	5,327.0	1,200.6	404.2	796.4	14.95%
15	Dominion Resources	D	9,390.0	2,133.0	713.0	1,420.0	15.12%
16	DPL Inc	DPL	871.7	334.3	122.5	211.8	24.30%
17	DTE Energy	DTE	5,853.0	610.0	153.0	457.0	7.81%
18	Duke Energy	DUK	21,199.0	2,234.0	712.0	1,522.0	7.18%
19	Edison International	EIX	8,393.0	1,643.0	492.0	1,151.0	13.71%
20	El Paso Electric	EE	666.5	109.2	34.5	74.8	11.22%
21	Empire District Electric Co	EDE	539.2	47.6	14.4	33.2	6.15%
22	Energy East Corp	EAS	3,206.0	366.5	114.1	252.4	7.87%
23	Entergy Corp	ETR	7,836.8	1,674.4	514.4	1,160.0	14.80%
24	Exelon Corp	EXC	10,133.0	4,176.0	1,446.0	2,730.0	26.94%
25	FirstEnergy Corp	FE	8,977.0	2,192.0	883.0	1,309.0	14.58%
26	Florida Public Utilities	FPU	48.9	5.0	1.7	3.3	6.75%
27	Fortis Inc	FTS.TO	2,595.0	242.0	33.2	208.8	8.05%
28	FPL Group	FPL	10,735.0	1,680.0	368.0	1,312.0	12.22%
29	Great Plains Energy	GXP	1,568.3	230.7	71.5	159.2	10.16%
30	Hawaiian Electric	HE	1,273.5	144.9	51.4	93.6	7.35%
31	IDACORP, Inc.	IDA	1,207.3	96.0	13.7	82.3	6.81%
32	Integrys Energy	TEG	3,232.7	267.1	86.0	181.1	5.60%
33	ITC Holdings Corp	ITC	563.1	109.9	36.7	73.3	13.02%
34	Maine & Maritimes Co	MAM	42.9	4.7	2.0	2.6	6.10%
35	MDU Resources	MDU	2,515.6	512.8	190.0	322.8	12.83%
36	MGE Energy	MGEE	427.7	76.7	27.9	48.8	11.42%
37	Nisource Inc	NI	5,076.6	484.1	172.1	312.0	6.15%
38	Northeast Utilities	NU	2,908.3	360.9	109.4	251.5	8.65%
39	Northwestern Corp.	NWE	823.0	85.6	32.4	53.2	6.46%
40	Nstar	NST	1,701.9	356.9	133.4	223.5	13.13%
41	OGE Energy	OGE	1,680.9	360.9	116.7	244.2	14.53%
42	Otter Tail Corp	OTTR	523.2	81.9	28.0	54.0	10.31%
43	Pepco Holdings	POM	4,018.4	488.7	192.2	296.5	7.38%
44	PG & E Corp	PCG	8,545.0	1,545.0	539.0	1,006.0	11.77%
45	Pinnacle West Capita	PNW	3,531.6	449.7	150.9	298.8	8.46%
46	PNM Resources	PNM	1,691.9	63.1	3.2	59.9	3.54%
47	Portland General	POR	1,316.0	219.0	74.0	145.0	11.02%
48	PPL Corp	PPL	5,538.0	1,304.0	270.0	1,034.0	18.67%
49	Progress Energy	PGN	8,417.5	1,027.0	334.0	693.0	8.23%
50	Public Services Enterprises	PEG	7,295.0	2,383.0	1,060.0	1,323.0	18.14%
51	Puget Energy Inc	PSD	2,521.9	257.3	72.6	184.8	7.33%
52	Scana Corp	SCG	2,953.0	467.0	140.0	327.0	11.07%
53	Sempra Energy	SRE	8,315.0	1,659.0	524.0	1,135.0	13.65%
54	Sierra Pacific Res	SRP	2,996.6	284.9	87.6	197.3	6.58%
55	Southern Co	SO	12,337.0	2,617.0	835.0	1,782.0	14.44%
56	TECO Energy	TE	2,017.0	309.6	126.0	183.6	9.10%
57	UIL Holdings	UIL	464.3	77.2	30.5	46.7	10.06%
58	Unisource Energy	UNS	690.1	97.5	39.1	58.4	8.46%
59	Unitil Corp	UTL	100.3	13.2	4.5	8.7	8.67%
60	Vectren Corp	VVC	1,233.7	219.2	76.0	143.2	11.61%
61	Westar Energy	WR	1,826.0	232.2	63.8	168.4	9.22%
62	Wilmington Capital M	WCMA.TO	20.0	0.0	0.0	0.0	0.10%
63	Wisconsin Energy	WEC	3,098.0	554.1	216.4	337.7	10.90%
64	Xcel Energy	XEL	6,296.8	870.4	294.5	575.9	9.15%
	Average						10.68%

Non-Utility Comparison Group
Equity Ratios, Returns on Equity and Betas
(Dollars in Millions)

	Company	Ticker Symbol	A Common Equity	B Reported Capital	C Equity Ratio	D Pre Tax Income	E Income Tax	F Post-Tax Income	G Return on Equity	H NYSE Beta
1	AES Corp	AES	3,164.00	19,793.00	16.0%	1,421.00	685.00	736.00	23.26%	1.85
2	Air Products & Chemical	APD	5,495.60	8,472.10	64.9%	1,358.50	340.00	1,018.50	18.53%	1.00
3	Alaska Communication	ALSK	74.01	506.22	14.6%	32.94	-	32.94	44.51%	0.50
4	Alexander & Baldwin	ALEX	1,130.00	1,582.00	71.4%	208.00	66.00	142.00	12.57%	1.00
5	Allied Waste	AW	3,285.90	9,989.80	32.9%	579.50	229.40	350.10	10.65%	1.20
6	American Tower (Class A)	AMT	3,022.09	7,305.55	41.4%	197.48	74.60	122.88	4.07%	1.90
7	Ameristar Casinos Inc	ASCA	503.12	2,144.74	23.5%	121.25	48.73	72.52	14.41%	0.90
8	Anadarko Petroleum	APC	16,316.00	27,515.00	59.3%	6,329.00	2,551.00	3,778.00	23.16%	0.90
9	Anglogold Ashanti Ad	AU	2,552.00	4,116.00	62.0%	422.00	118.00	304.00	11.91%	1.05
10	Apache Corp	APA	15,273.91	19,389.58	78.8%	4,672.61	1,860.25	2,812.36	18.41%	0.90
11	Aracruz Celulose SA	ARA	2,387.11	3,699.46	64.5%	629.90	197.31	432.59	18.12%	1.10
12	Arch Coal	ACI	1,523.95	2,617.26	58.2%	155.07	(19.85)	174.92	11.48%	1.25
13	AT&T Inc	T	115,367.00	172,622.00	66.8%	25,910.00	8,870.00	17,040.00	14.77%	1.10
14	Atco Ltd	ACOX.TO	1,573.20	4,955.70	31.7%	561.90	92.00	469.90	29.87%	0.55
15	ATLAS AMERICA INC	ATLS	413.16	2,407.55	17.2%	49.97	14.64	35.33	8.55%	1.40
16	Atmel Corp	ATML	823.47	843.88	97.6%	67.89	27.15	40.74	4.95%	2.45
17	ATP Oil & Gas Corp	ATPG	309.86	1,701.71	18.2%	47.98	(0.63)	48.61	15.69%	0.95
18	Barrick Gold	ABX	15,256.00	18,409.00	82.9%	1,446.00	341.00	1,105.00	7.24%	0.95
19	BCE Inc	BCE	14,338.00	27,853.00	51.5%	2,343.00	318.00	2,025.00	14.12%	0.80
20	Berry Petroleum (Class A)	BRY	459.97	904.97	50.8%	156.45	55.28	101.17	21.99%	0.90
21	Bill Barrett Corp	BBG	773.51	1,047.51	73.8%	43.99	17.24	26.75	3.46%	1.40
22	Bois D'Arc Energy Inc	BDE	602.49	682.49	88.3%	122.10	43.43	78.67	13.06%	1.40
23	Boyd Gaming	BYD	1,385.40	3,651.33	37.9%	184.93	64.02	120.91	8.73%	1.05
24	Bristow Group Inc	BRS	724.79	1,569.51	46.2%	152.25	44.52	107.73	14.86%	1.10
25	Brookfield Asset Man	BAM	6,600.00	32,161.00	20.5%	855.00	68.00	787.00	11.92%	1.00
26	BT Group ADR	BT	10,790.95	30,377.86	35.5%	4,999.47	1,159.09	3,840.38	35.59%	1.00
27	BUCKEYE PARTNERS L.P	BPL	1,090.17	1,939.34	56.2%	127.56	-	127.56	11.70%	0.70
28	Buckeye Technologies	BKI	347.15	792.64	43.8%	43.83	13.72	30.11	8.67%	1.50
29	BURLINGTON NORTHERN	BNI	11,144.00	18,879.00	59.0%	3,030.00	1,156.00	1,874.00	16.82%	1.00
30	CABOT OIL & GAS 'A'	COG	1,070.25	1,400.25	76.4%	257.53	91.80	165.73	15.49%	1.05
31	Cameco Corp	CCO.TO	2,743.86	3,460.99	79.3%	465.93	29.46	436.47	15.91%	1.05
32	Canadian National Railway	CNI	10,177.00	15,540.00	65.5%	2,553.00	828.00	1,725.00	16.95%	1.00
33	Canadian Natural Resources	CNQ.TO	13,319.00	24,261.00	54.9%	2,532.00	126.50	2,405.50	18.06%	0.80
34	Canadian Pacific Railway	CP	5,457.90	9,604.10	56.8%	942.60	270.40	672.20	12.32%	0.95
35	Carnival Corp	CCL	19,963.00	26,276.00	76.0%	2,424.00	16.00	2,408.00	12.06%	1.10
36	Catalyst Paper Corporation	CTL.TO	988.60	1,778.60	55.6%	(131.50)	(100.00)	(31.50)	-3.19%	0.95
37	Cedar Fair LP	FUN	285.09	2,020.55	14.1%	144.73	102.02	42.71	14.98%	0.70
38	Cemex Ads	CX	14,946.18	31,494.09	47.5%	2,907.47	439.31	2,468.16	16.51%	1.30
39	Centennial Communications	CYCL	(1,082.67)	963.89	-112.3%	16.52	8.02	8.50	-0.79%	1.25
40	Centurytel Inc	CTL	3,409.20	6,143.56	55.5%	568.50	214.20	354.30	10.39%	0.90
41	Charter Communications	CHTR	(7,890.87)	12,086.00	-65.3%	(1,081.00)	323.10	(1,404.10)	17.79%	1.95
42	Chartered Semiconduc	CHRT	1,516.98	3,296.90	46.0%	10.25	(91.43)	101.68	6.70%	1.60
43	Chesapeake Energy	CHK	11,075.00	23,080.00	48.0%	2,804.44	1,066.11	1,738.33	15.70%	1.00
44	China Southern Airlines	ZNH	1,678.92	4,685.80	35.8%	385.11	112.16	272.95	16.26%	1.25
45	CIMAREX ENERGY CO.	XEC	3,259.28	3,746.44	87.0%	544.62	198.15	346.47	10.63%	1.05
46	Cincinnati Bell	CBB	(807.40)	1,334.30	-60.5%	167.80	71.80	96.00	-11.89%	1.60

Non-Utility Comparison Group
Equity Ratios, Returns on Equity and Betas
(Dollars In Millions)

	Company	Ticker Symbol	A Common Equity	B Reported Capital	C Equity Ratio	D Pre Tax Income	E Income Tax	F Post-Tax Income	G Return on Equity	H NYSE Beta
47	Cit Group	CIT	6,429.60	61,102.80	10.5%	(272.30)	(194.40)	(77.90)	-1.21%	1.30
48	Clayton Williams Ene	CWEI	160.80	590.98	27.2%	15.29	5.49	9.80	6.09%	0.95
49	Cogeco Cable Inc	CCA.TO	1,165.66	2,176.30	53.6%	96.86	12.17	84.69	7.27%	0.80
50	Cogeco Inc	CGO.TO	392.46	1,428.71	27.5%	82.73	18.35	64.38	16.40%	1.05
51	Comcast Corp	CMCSK	41,340.00	71,168.00	58.1%	4,049.00	1,800.00	2,249.00	5.44%	1.25
52	Comcast Corp (Class A)	CMCSA	41,340.00	72,633.00	56.9%	4,349.00	1,800.00	2,549.00	6.17%	1.30
53	Companhia Vale Do Ri	RIO	32,757.72	51,393.94	63.7%	16,453.72	4,069.95	12,383.77	37.80%	1.80
54	Comstock Resources	CRK	771.64	1,531.64	50.4%	193.98	85.17	108.81	14.10%	1.05
55	Consol Energy	CNX	1,214.41	1,703.34	71.3%	353.04	101.13	251.91	20.74%	1.35
56	CONSOLIDATED COMM. H	CNSL	155.36	1,047.00	14.8%	16.09	4.67	11.42	7.35%	0.80
57	Corning Inc	GLW	9,496.00	11,010.00	86.2%	2,421.00	151.00	2,270.00	23.90%	1.80
58	Corrections Corp of America	CXW	1,221.97	2,197.65	55.6%	212.82	80.31	132.51	10.84%	0.80
59	COVANTA HOLDING CORP	CVA	1,026.06	3,123.24	32.9%	200.28	40.12	160.16	15.61%	1.55
60	CSX Corp	CSX	8,685.00	15,155.00	57.3%	1,905.00	681.00	1,224.00	14.09%	1.05
61	Denbury Res Inc	DNR	1,404.37	2,084.70	67.4%	393.41	140.26	253.15	18.03%	1.00
62	DEUTSCHE TELEKOM ADR	DT	62,034.58	111,861.07	55.5%	3,611.32	2,023.63	1,567.69	2.56%	1.10
63	Devon Energy	DVN	21,846.00	28,930.00	75.5%	4,224.00	1,078.00	3,146.00	14.40%	1.00
64	DIAMOND OFFSHORE	DO	2,877.06	3,380.13	85.1%	1,246.53	341.35	905.18	31.46%	1.05
65	DINEEQUITY INC.	DIN	205.86	2,641.50	7.8%	(2.75)	(2.24)	(0.51)	-0.25%	0.90
66	Dryships Inc	DRYS	1,024.96	2,073.74	49.4%	340.40	-	340.40	33.21%	1.20
67	Dynegy Inc (Class A)	DYN	4,506.00	10,445.00	43.1%	267.00	3.00	264.00	5.86%	1.65
68	Eagle Materials	EXP	405.68	805.68	50.4%	144.38	46.61	97.77	24.10%	1.30
69	Emeritus Corp	ESC	458.50	1,667.21	27.5%	(47.92)	0.81	(48.73)	-10.63%	0.80
70	Enbridge Inc	ENB.TO	5,143.30	14,512.60	35.4%	916.30	209.20	707.10	13.75%	0.60
71	Encana Corp	ECA	20,704.00	29,544.00	70.1%	5,831.00	1,731.00	4,100.00	19.80%	1.00
72	Encore Acquisition	EAC	948.15	2,068.39	45.8%	24.15	14.47	9.68	1.02%	1.30
73	Energen Corp	EGN	1,378.65	1,941.02	71.0%	476.64	167.42	309.22	22.43%	0.80
74	Energy Partners Ltd	EPL	101.97	586.47	17.4%	(137.49)	(44.60)	(92.89)	-91.10%	0.90
75	Ensco International	ESV	3,752.00	4,043.40	92.8%	1,253.70	261.70	992.00	26.44%	1.10
76	EOG Resources	EOG	6,978.46	8,175.09	85.4%	1,630.86	551.16	1,079.70	15.47%	1.00
77	EQUINIX, INC.	EQIX	814.43	1,492.66	54.6%	(4.71)	0.47	(5.18)	-0.64%	1.55
78	Equitable Resources	EQT	1,097.47	1,850.97	59.3%	319.24	144.39	174.85	15.93%	0.85
79	FreepT-Mcmoran C&G	FCX	14,084.00	25,414.00	55.4%	4,964.93	1,942.93	3,022.00	21.46%	1.56
80	FRONTIER COMMUNIC.	FTR	997.89	5,734.79	17.4%	301.70	112.70	189.00	18.94%	1.05
81	Gatx Corp	GMT	1,149.50	3,261.90	35.2%	258.60	72.80	185.80	16.16%	1.45
82	Gaylord Entertainment	GET	941.49	1,920.53	49.0%	164.65	62.66	101.99	10.83%	1.10
83	General Communication	GNCMA	251.92	790.79	31.9%	25.46	11.96	13.50	5.36%	1.15
84	Grey Wolf Inc	GW	659.50	934.50	70.6%	265.39	95.50	169.89	25.76%	1.05
85	HELIX ENERGY SOLUTIO	HLX	1,846.56	3,572.10	51.7%	322.63	107.43	215.20	11.65%	1.20
86	Hellenic Telecommunications Orgization SA	OTE	6,099.59	14,719.75	41.4%	1,828.53	613.51	1,215.02	19.92%	0.90
87	Helmerich & Payne	HP	1,815.51	2,260.51	80.3%	589.44	210.68	378.76	20.86%	1.20
88	Hornbeck Offshore Se	HOS	562.31	1,111.86	50.6%	148.60	53.81	94.79	16.86%	1.20
89	Host Hotels And Resorts	HST	5,332.00	10,805.00	49.3%	553.00	3.00	550.00	10.32%	1.05
90	Husky Energy Inc	HSE.TO	11,650.00	13,759.00	84.7%	4,127.00	913.00	3,214.00	27.59%	0.90
91	Hutchinson Techn	HTCH	599.54	978.49	61.3%	(9.63)	(12.21)	2.58	0.43%	1.05
92	IAMGOLD CORP.	IMG.TO	1,751.31	1,757.01	99.7%	(0.68)	41.37	(42.05)	-2.40%	0.75

Non-Utility Comparison Group
Equity Ratios, Returns on Equity and Betas
(Dollars in Millions)

	Company	Ticker Symbol	A Common Equity	B Reported Capital	C Equity Ratio	D Pre Tax Income	E Income Tax	F Post-Tax Income	G Return on Equity	H NYSE Beta
93	Infineon Technologie	IFX	7,763.62	9,937.57	78.1%	(401.29)	124.81	(526.10)	-6.78%	1.85
94	Intel Corp	INTC	42,762.00	44,742.00	95.6%	9,166.00	2,190.00	6,976.00	16.31%	1.25
95	International Speedway	ISCB	1,159.08	1,534.09	75.6%	186.06	91.25	94.81	8.18%	0.60
96	International Speedway (Class A)	ISCA	1,159.08	1,534.09	75.6%	244.21	92.30	151.91	13.11%	0.65
97	Iron Mountain	IRM	1,795.45	5,028.30	35.7%	223.02	69.01	154.01	8.58%	0.95
98	Isle Of Capri Casino	ISLE	188.01	1,665.60	11.2%	(56.36)	(64.82)	8.46	4.50%	1.15
99	Jetblue Airways	JBLU	1,036.00	3,624.00	28.6%	41.00	23.00	18.00	1.74%	1.10
100	Kansas City Southern	KSU	1,696.30	2,831.30	59.9%	228.20	68.60	159.60	9.41%	1.30
101	Kinder Morgan Energy	KMP	3,688.90	10,891.60	33.9%	1,072.50	71.00	1,001.50	27.15%	0.65
102	Kinross Gold	KGC	4,832.20	5,336.00	90.6%	404.60	73.80	330.80	6.85%	0.95
103	Kirby Corp	KEX	769.83	1,065.85	72.2%	199.83	76.49	123.34	16.02%	1.15
104	KT Corporation	KTC	9,482.08	15,873.70	59.7%	1,547.15	381.09	1,166.06	12.30%	0.80
105	Landry's Restaurants	LNY	316.89	1,118.37	28.3%	32.33	13.98	18.35	5.79%	1.15
106	Las Vegas Sands Corp	LVS	2,260.27	9,778.27	23.1%	329.87	21.59	308.28	13.64%	1.60
107	LEVEL 3 COMMUNIC.	LVLT	1,070.00	7,902.00	13.5%	(709.00)	(22.00)	(687.00)	-64.21%	1.25
108	LIFE TIME FITNESS IN	LTM	572.55	1,127.59	50.8%	113.23	45.22	68.01	11.88%	1.00
109	Louisiana-Pacific	LPX	1,819.50	2,305.30	78.9%	(249.30)	(148.90)	(100.40)	-5.52%	1.35
110	Magellan Midstream P	MMP	871.16	1,785.70	48.8%	244.35	1.56	242.79	27.87%	0.70
111	MAGNA ENTERTAINMENT	MECAD	362.71	742.02	48.9%	(110.44)	(2.57)	(107.87)	-29.74%	1.00
112	Manitoba Telecommunications Services	MBT.TO	1,404.00	2,070.20	67.8%	293.00	123.30	169.70	12.09%	0.55
113	Martin Marietta	MLM	945.99	1,794.17	52.7%	378.58	116.07	262.51	27.75%	1.25
114	Massey Energy	MEE	784.00	1,886.67	41.6%	128.07	44.87	83.20	10.61%	1.35
115	McDonald's Corp	MCD	15,279.80	22,589.80	67.6%	3,572.10	49.50	3,522.60	23.05%	1.15
116	Mcmoran Exploration	MMR	112.35	1,061.22	10.6%	(63.56)	-	(63.56)	-56.57%	1.10
117	Mediacom Communications	MCCC	(253.08)	2,867.41	-8.8%	(48.64)	53.68	(102.32)	40.43%	1.35
118	Methanex Corp	MEOH	1,335.35	1,917.34	69.6%	522.86	147.19	375.67	28.13%	0.95
119	MGM Mirage	MGM	6,060.70	17,235.93	35.2%	1,553.34	913.42	639.92	10.56%	1.05
120	Microchip Technology	MCHP	1,036.22	2,186.35	47.4%	377.75	73.80	303.95	29.33%	1.05
121	Micron Technology	MU	7,752.00	9,739.00	79.6%	(168.00)	30.00	(198.00)	-2.55%	1.60
122	Minerals Technologies	MTX	751.17	862.17	87.1%	86.28	28.36	57.92	7.71%	0.95
123	Morguard Corp	MRC.TO	496.21	1,583.88	31.3%	14.42	12.76	1.66	0.33%	0.35
124	Mylan Labs	MYL	3,312.82	8,110.14	40.8%	(1,081.06)	72.96	(1,154.02)	-34.83%	0.65
125	Nabors Industriess	NBR	4,514.12	7,820.55	57.7%	1,218.40	257.20	961.20	21.29%	1.10
126	National Fuel Gas	NFG	1,630.11	2,429.11	67.1%	333.48	131.81	201.67	12.37%	0.85
127	NATIONAL SEMIC.	NSM	1,748.80	1,769.40	98.8%	530.60	155.30	375.30	21.46%	1.30
128	Newmont Mining	NEM	7,548.00	10,231.00	73.8%	815.00	292.00	523.00	6.93%	0.90
129	Nexen Inc	NXY.TO	5,610.00	10,220.00	54.9%	1,896.00	792.00	1,104.00	19.68%	1.00
130	Noble Corp	NE	4,308.32	5,082.50	84.8%	1,485.38	282.22	1,203.16	27.93%	1.00
131	Noble Energy	NBL	4,808.80	6,659.89	72.2%	1,346.76	423.69	923.07	19.20%	1.00
132	NORBORD INC.	NBD.TO	360.00	840.00	42.9%	(90.00)	(45.00)	(45.00)	-12.50%	0.80
133	Norfolk Southern	NSC	9,727.00	15,728.00	61.9%	2,237.00	773.00	1,464.00	15.05%	1.05
134	NRG Energy Inc	NRG	4,526.00	13,646.00	33.2%	946.00	377.00	569.00	12.57%	0.95
135	NUSTAR ENERGY L.P.	NS	1,994.83	3,440.45	58.0%	161.74	11.44	150.30	7.53%	0.55
136	OCCIDENTAL PETROLEUM	OXY	22,823.00	24,564.00	92.9%	7,866.50	3,461.50	4,405.00	19.30%	1.00
137	Orient-Express Hotel	OEH	848.53	1,507.14	56.3%	63.57	14.81	48.76	5.75%	1.05
138	Overseas Shipholding	OSG	1,818.03	3,349.36	54.3%	174.85	(3.65)	178.50	9.82%	1.10

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139 Packaging Corp	PKG	760.86	1,159.36	65.6%	267.86	97.80	170.06	22.35%	0.85
140 PARKER DRILLING	PKD	534.72	888.44	60.2%	144.19	38.56	105.63	19.75%	1.45
141 PATTERSON-UTI ENERGY	PTEN	1,896.03	1,946.03	97.4%	670.80	232.16	438.64	23.13%	1.15
142 Peabody Energy	BTU	2,519.67	5,658.39	44.5%	340.83	(78.11)	418.94	16.63%	1.15
143 Penn Virginia Corp	PVA	810.09	1,561.25	51.9%	81.25	30.50	50.75	6.26%	0.90
144 Petrobank Energy & R	PBG.TO	451.30	753.10	59.9%	101.67	9.55	92.12	20.41%	0.80
145 Petro-Canada	PCZ	11,870.00	15,209.00	78.0%	4,907.00	2,174.00	2,733.00	23.02%	0.80
146 PETROHAWK ENERGY	HK	2,008.89	3,604.02	55.7%	86.03	33.13	52.90	2.63%	0.60
147 Petroleum Development	PETD	395.52	630.52	62.7%	54.19	20.98	33.21	8.40%	1.00
148 PETROQUEST ENERGY IN	PQ	302.24	451.07	67.0%	64.28	23.66	40.62	13.44%	0.85
149 PHH CORP.	PHH	1,529.00	5,678.00	26.9%	464.00	(34.00)	498.00	32.57%	0.85
150 Photronics Inc	PLAB	654.28	845.53	77.4%	21.63	4.72	16.91	2.58%	1.70
151 PINNACLE ENTERTAIN.	PNK	1,052.35	1,893.57	55.6%	8.63	9.78	(1.15)	-0.11%	1.15
152 Praxair Inc	PX	5,142.00	8,506.00	60.5%	1,639.00	419.00	1,220.00	23.73%	1.00
153 Precision Drilling T	PDU.TO	1,316.67	1,436.49	91.7%	349.03	6.21	342.82	26.04%	0.95
154 Pride International Inc	PDE	3,470.40	4,586.10	75.7%	615.00	179.70	435.30	12.54%	1.10
155 PROVIDENT ENERGY	PVX	1,741.81	3,321.14	52.4%	166.06	74.17	91.89	5.28%	0.50
156 Questar Corp	STR	2,577.90	3,599.10	71.6%	798.00	294.90	503.10	19.52%	0.85
157 Quicksilver Resource	KWK	1,068.35	1,882.17	56.6%	178.06	60.90	117.16	10.97%	1.20
158 Qwest Communications	Q	563.00	14,213.00	4.0%	1,064.00	(3.00)	1,067.00	189.52%	1.60
159 Republic Airlines Holdings	RJET	426.08	2,207.96	19.3%	133.96	51.21	82.75	19.42%	0.80
160 Republic Services	RSG	1,303.80	2,869.30	45.4%	506.20	190.80	315.40	24.19%	0.75
161 ROGERS COMMUNICATION	RCI	4,624.00	10,656.00	43.4%	971.00	278.75	692.25	14.97%	1.30
162 Rowan Companies	RDC	2,348.43	2,768.92	84.8%	700.11	241.01	459.10	19.55%	1.20
163 Royal Caribbean Cruise Line	RCL	6,757.34	12,103.89	55.8%	603.40	-	603.40	8.93%	1.10
164 Savvis Inc	SVVS	151.86	665.50	22.8%	(8.60)	1.39	(9.99)	-6.58%	1.35
165 SBA Communications	SBAC	337.39	2,242.39	15.0%	(60.80)	0.86	(61.66)	-18.28%	2.30
166 Seacor Holdings	CKH	1,621.81	2,559.57	63.4%	373.31	130.44	242.87	14.98%	1.00
167 SEMICONDUCTOR MFG IN	SMI	3,012.51	3,679.87	81.9%	(80.69)	(29.72)	(50.97)	-1.69%	1.00
168 Shaw Communications (Class B)	SJRB.TO	1,994.04	4,765.35	41.8%	531.35	142.87	388.48	19.48%	1.15
169 Sherritt International Corp	S.TO	2,650.10	3,239.90	81.8%	599.90	208.10	391.80	14.78%	0.85
170 SINGAPORE TELECOMMUN	SGAPY	15,214.13	19,320.74	78.7%	3,247.93	378.40	2,869.53	18.86%	0.70
171 Sirius Satellite	SIRI	(792.73)	485.88	-163.2%	(562.81)	2.43	(565.24)	71.30%	1.55
172 Six Flags Inc	SIX	(559.08)	1,986.45	-28.1%	(237.88)	6.20	(244.08)	43.66%	1.25
173 Southern Union	SUG	1,958.44	5,166.13	37.9%	323.97	95.25	228.72	11.68%	1.05
174 Southwest Airlines	LUV	6,941.00	8,991.00	77.2%	762.00	291.00	471.00	6.79%	1.05
175 Southwestern Energy	SWN	1,646.50	2,624.10	62.7%	357.02	135.85	221.17	13.43%	1.10
176 Speedway Motorsports	TRK	827.87	1,256.11	65.9%	154.32	61.02	93.30	11.27%	0.75
177 ST. MARY LAND & EXPL	SM	863.34	1,435.84	60.1%	300.26	110.55	189.71	21.97%	0.90
178 Starwood Hotels	HOT	2,076.00	5,666.00	36.6%	777.00	190.80	586.20	28.24%	1.30
179 Stmicroelectronics	STM	9,573.00	11,690.00	81.9%	715.00	35.00	680.00	7.10%	1.70
180 STOLT-NIELSEN ADR	SNSAY	1,354.48	1,781.42	76.0%	159.24	6.15	153.09	11.30%	1.25
181 Stone Energy	SGY	885.80	1,285.80	68.9%	211.43	68.34	143.09	16.15%	1.10
182 Suncor Energy	SU.TO	11,613.00	15,424.00	75.3%	3,345.00	513.00	2,832.00	24.39%	0.90
183 Swift Energy	SFY	836.05	1,423.05	58.8%	244.55	91.96	152.59	18.25%	1.15
184 Talisman Energy	TLM.TO	7,963.00	12,825.00	62.1%	2,017.00	971.00	1,046.00	13.14%	1.00

Non-Utility Comparison Group
Equity Ratios, Returns on Equity and Betas
(Dollars in Millions)

	Company	Ticker Symbol	A Common Equity	B Reported Capital	C Equity Ratio	D Pre Tax Income	E Income Tax	F Post-Tax Income	G Return on Equity	H NYSE Beta
185	Teck Cominco Ltd B	TCKB.TO	7,719.00	9,211.00	83.8%	2,583.44	896.44	1,687.00	21.86%	1.30
186	TEEKAY CORP.	TK	2,687.87	7,973.27	33.7%	178.62	-	178.62	6.65%	1.05
187	Telefonica SA ADR	TEF	29,583.75	98,586.49	30.0%	13,069.66	2,300.55	10,769.11	36.40%	1.10
188	Telefonos De Mexico	TMX	3,874.86	11,159.11	34.7%	3,724.98	1,067.29	2,657.69	68.59%	0.95
189	Telephone & Data	TDS	3,925.66	5,558.56	70.6%	685.39	269.05	416.34	10.61%	1.10
190	TELSTRA CORPORATION	TLSYY	10,808.83	20,995.21	51.5%	4,113.47	1,242.28	2,871.19	26.56%	0.75
191	Telus Corporation	T.TO	6,926.20	11,509.70	60.2%	1,491.50	233.60	1,257.90	18.16%	0.85
192	TEMBEC INC.	TMB.TO	566.00	1,906.00	29.7%	132.00	(5.65)	137.65	24.32%	0.75
193	Time Warner Telecommunications	TWTC	566.23	1,936.55	29.2%	(39.27)	1.00	(40.27)	-7.11%	1.55
194	Transalta Corp	TA.TO	2,298.50	4,004.00	57.4%	329.20	20.40	308.80	13.43%	0.50
195	Transcanada Corp	TRP	9,697.00	22,162.00	43.8%	1,810.00	490.00	1,320.00	13.61%	0.60
196	Transocean Inc	RIG	12,566.00	23,651.00	53.1%	2,805.00	238.00	2,567.00	20.43%	1.10
197	Tsakos Energy Naviga	TNP	854.54	2,200.12	38.8%	180.00	-	180.00	21.06%	0.65
198	Ultra Petroleum Corporation	UPL	853.57	1,143.57	74.6%	285.86	105.62	180.24	21.12%	1.00
199	Union Pacific	UNP	15,585.00	23,128.00	67.4%	3,009.00	1,154.00	1,855.00	11.90%	0.95
200	Unit Corp	UNT	1,434.81	1,555.41	92.2%	413.41	147.15	266.26	18.56%	1.05
201	United Rentals	URI	2,018.00	4,719.00	42.8%	478.00	172.00	306.00	15.16%	1.40
202	UPM-KYMMENE OYJ	UPMKY	10,695.92	15,838.49	67.5%	461.33	333.35	127.98	1.20%	1.15
203	Us Cellular	USM	3,196.15	4,198.44	76.1%	546.50	216.71	329.79	10.32%	1.00
204	Vail Resorts Inc	MTN	714.03	1,307.77	54.6%	100.65	39.25	61.40	8.60%	1.00
205	Verizon Communications	VZ	50,581.00	78,784.00	64.2%	10,641.00	3,787.00	6,854.00	13.55%	0.85
206	VITRO S.A.B. DE C.V.	VTO	695.66	2,004.84	34.7%	16.39	4.12	12.27	1.76%	0.95
207	Votorantim Celulose	VCP	3,883.00	5,080.00	76.4%	649.00	48.75	600.25	15.46%	1.15
208	Vulcan Materials	VMC	3,759.60	5,289.42	71.1%	667.50	197.26	470.24	12.51%	1.20
209	W&T OFFSHORE INC	WTI	1,151.34	1,803.10	63.9%	216.74	72.44	144.30	12.53%	1.40
210	Waste Connections	WCN	775.20	1,494.70	51.9%	159.00	59.90	99.10	12.78%	0.90
211	Waste Management	WMI	5,792.00	13,800.00	42.0%	1,698.00	618.00	1,080.00	18.65%	0.90
212	Westjet Airlines Ltd	WJA.TO	949.90	2,207.54	43.0%	270.85	57.29	213.56	22.48%	0.85
213	Weyerhaeuser Co	WY	7,981.00	14,040.00	56.8%	374.00	11.00	363.00	4.55%	1.20
214	WHITING PETROLEUM CO	WLL	1,490.82	2,359.07	63.2%	207.16	76.56	130.60	8.76%	1.20
215	Williams Companies	WMB	6,375.00	14,132.00	45.1%	1,413.00	540.00	873.00	13.69%	1.70
216	Williams Partners LP	WPZ	161.46	1,161.46	13.9%	164.63	-	164.63	101.95%	0.60
217	Woodside Petroleum L	WOPEY	4,465.82	5,007.71	89.2%	1,615.93	503.31	1,112.62	24.91%	0.90
218	Wynn Resorts Ltd	WYNN	1,948.15	5,481.49	35.5%	394.24	63.98	330.26	16.95%	1.15
219	XTO Energy	XTO	7,941.00	14,261.00	55.7%	2,642.00	923.00	1,719.00	21.65%	0.90
220	**Average**				**51.71%**				**14.14%**	**1.08**

Electric Utility Comparison Group
Equity Percentages and Betas

	Name	A	B	C	D	E
			($ Millions)			
		Ticker Symbol	Year-end Common Equity	Total Reported Capital	Equity Percent	Beta
1	Allegheny Energy	AYE	2,534.7	6,479.3	39.1%	2.10
2	Allete	ALE	742.6	1,153.5	64.4%	0.95
3	Alliant Energy	LNT	2,662.5	4,329.5	61.5%	0.90
4	Ameren Corp	AEE	6,730.0	12,638.0	53.3%	0.80
5	AmericanElec Power	AEP	10,076.0	24,342.0	41.4%	1.15
6	Avista Corp	AVA	914.0	1,548.9	59.0%	1.00
7	Black Hills	BKH	969.9	1,534.2	63.2%	1.10
8	Central Vermont Public Svc.	CV	188.4	311.8	60.4%	0.85
9	Centerpoint Energy	CNP	1,810.0	10,174.0	17.8%	0.70
10	CH Energy Group	CHG	522.2	948.1	55.1%	0.85
11	Cleco Corp	CNL	1,009.9	1,780.5	56.7%	1.35
12	CMS Energy Corp	CMS	2,116.0	8,212.0	25.8%	1.55
13	Consolidated Edison	ED	8,852.0	16,687.0	53.0%	0.70
14	Constellation Energy	CEG	5,327.0	10,190.7	52.3%	0.95
15	Dominion Resources	D	9,390.0	22,898.0	41.0%	1.05
16	DPL Inc	DPL	871.7	2,437.1	35.8%	0.90
17	DTE Energy	DTE	5,853.0	12,824.0	45.6%	0.80
18	Duke Energy	DUK	21,199.0	30,697.0	69.1%	
19	Edison International	EIX	8,393.0	18,375.0	45.7%	1.05
20	El Paso Electric	EE	666.5	1,321.6	50.4%	0.80
21	Empire District Electric Co	EDE	539.2	1,081.1	49.9%	0.85
22	Energy East Corp	EAS	3,206.0	7,108.7	45.1%	0.85
23	Entergy Corp	ETR	7,836.8	17,902.0	43.8%	0.85
24	Exelon Corp	EXC	10,133.0	22,189.0	45.7%	0.90
25	FirstEnergy Corp	FE	8,977.0	17,846.0	50.3%	0.90
26	Florida Public Utilities	FPU	48.9	98.9	49.4%	0.55
27	Fortis Inc	FTS.TO	2,595.0	7,666.0	33.9%	0.50
28	FPL Group	FPL	10,735.0	22,015.0	48.8%	0.80
29	Great Plains Energy	GXP	1,566.3	2,709.8	57.8%	0.85
30	Hawaiian Electric	HE	1,273.5	2,501.8	50.9%	0.70
31	IDACORP, Inc.	IDA	1,207.3	2,364.2	51.1%	1.00
32	Integrys Energy	TEG	3,232.7	5,552.0	58.2%	0.85
33	ITC Holdings Corp	ITC	563.1	2,041.5	27.6%	0.75
34	Maine & Maritimes Co	MAM	42.9	70.4	61.0%	0.35
35	MDU Resources	MDU	2,515.6	3,678.1	68.4%	0.85
36	MGE Energy	MGEE	427.7	660.1	64.8%	0.85
37	Nisource Inc	NI	5,076.6	10,671.0	47.6%	0.95
38	Northeast Utilities	NU	2,908.3	5,974.6	48.7%	0.85
39	Northwestern Corp.	NWE	823.0	1,648.4	49.9%	
40	Nstar	NST	1,701.9	4,248.2	40.1%	0.75
41	OGE Energy	OGE	1,680.9	3,025.5	55.6%	0.75
42	Otter Tail Corp	OTTR	523.2	882.1	59.3%	0.75
43	Pepco Holdings	POM	4,018.4	8,753.0	45.9%	0.90
44	PG & E Corp	PCG	8,545.0	16,976.0	50.3%	0.95
45	Pinnacle West Capita	PNW	3,531.6	6,658.7	53.0%	1.00
46	PNM Resources	PNM	1,691.9	2,935.8	57.6%	0.95
47	Portland General	POR	1,316.0	2,629.0	50.1%	
48	PPL Corp	PPL	5,538.0	12,747.0	43.4%	0.95
49	Progress Energy	PGN	8,417.5	17,252.0	48.8%	0.95
50	Public Services Enterprises	PEG	7,295.0	16,041.0	45.5%	0.95
51	Puget Energy Inc	PSD	2,521.9	5,202.7	48.5%	0.80
52	Scana Corp	SCG	2,953.0	5,952.0	49.6%	0.80
53	Sempra Energy	SRE	8,315.0	13,071.0	63.6%	1.00
54	Sierra Pacific Res	SRP	2,998.6	7,134.4	42.0%	1.25
55	Southern Co	SO	12,337.0	27,608.0	44.7%	0.75
56	TECO Energy	TE	2,017.0	5,175.4	39.0%	1.10
57	UIL Holdings	UIL	464.3	943.6	49.2%	0.90
58	Unisource Energy	UNS	690.1	2,214.9	31.2%	0.70
59	Unitil Corp	UTL	100.3	262.6	38.2%	0.45
60	Vectren Corp	VVC	1,233.7	2,479.1	49.8%	0.90
61	Westar Energy	WR	1,826.0	3,738.3	48.8%	0.90
62	Wilmington Capital M	WCMA.T	20.0	38.9	51.4%	0.45
63	Wisconsin Energy	WEC	3,098.0	6,302.1	49.2%	0.80
64	Xcel Energy	XEL	6,296.8	12,748.1	49.4%	1.05
	Average				49.2%	0.89

Exhibit No.____(CWK-1)
Schedule 4

Comparable Non-Utility Companies
Risk Adjustment to Return on Equity

		A Average Beta	B Risk Premium	C Adjustment To Non- Utilities	D Non- Utilities ROE	E Adjusted Non-Utilities
1	Electric Utilities	0.89				
2	Comparable Non-Utilities	1.08			14.14%	**12.82%**
3	Difference	0.19	7.0%	1.32%		

Exhibit No._____(CWK-1)
Schedule 5

AEP Ohio Utilities
Adjustment for Capital Structure Differences - Significantly Excessive Earnings Test

		A Source	B Electric Distribution Utilities	C Columbus Southern	D Ohio Power	E Non-Utility Companies	F Columbus Southern	G Ohio Power
1	Equity Proportions	Sch 3 & 4	49.2%			51.7%		
2	Risk-adjusted Return on Equity	Sch 2 & 5	10.68%			12.82%		
3	Corporate Tax Rate	Avg. 3 Ln 17	35.82%			35.82%		
4	Tax Multiplier	1/(1-Ln 3)	1.56			1.56		
5	Post-Tax Return on Equity	Ln 2 * Ln 4	16.64%			19.97%		
6	Weighted Cost of Equity	Ln 1 * Ln 5	8.18%			10.33%		
7	Cost of Debt	Fed Reserve	7.31%			7.31%		
8	Weighted Cost of Debt	Ln. 7 *(1-Ln 1)	3.72%			3.53%		
9	Composite Capital Cost	Ln 6 + Ln 8	11.90%	11.90%	11.90%	13.86%	13.86%	13.86%
10	Year-end Common Equity ($000)	FERC Fm 1		1,166,677	2,291,017		1,166,677	2,291,017
11	Year-end Total Capital ($000)	FERC Fm 1		2,464,901	4,804,649		2,464,901	4,804,649
12	Equity Percent	Ln 10/Ln 11		47.3%	47.7%		47.3%	47.7%
13	Cost of Debt	Fed Reserve		7.31%	7.31%		7.31%	7.31%
14	Weighted Cost of Debt	(1-Ln 12) * Ln 13		3.85%	3.82%		3.85%	3.82%
15	Weighted Cost of Equity	Ln 9 - Ln 14		8.05%	8.08%		10.01%	10.03%
16	Unweighted Cost of Equity Post Tax	Ln 15/Ln 12		17.01%	16.94%		21.14%	21.04%
17	Income Tax Rate	Company Filings		36.05%	35.62%		36.05%	35.62%
18	Cost of Equity Pre-Tax	Ln 16*(1-Ln 17)		10.88%	10.90%		13.52%	13.54%
19	Adjusted Non-Utilities Cost of Equity	Ln 18 Cols G,H,I		13.52%	13.54%			
20	Average Utilities & Non-Utilities	(Ln 18 + Ln 19)/2		12.20%	12.22%			
21	Premium on ROE	FERC		2.00%	2.00%			
22	**Threshold for SEE**	Ln 19 + Ln 20		**14.20%**	**14.22%**			

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

IN RE:	IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS	)	CASE NO. 08-917-EL-SSO
	And		
	IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	CASE NO. 08-918-EL-SSO

DIRECT TESTIMONY

AND EXHIBITS

OF

LANE KOLLEN

ON BEHALF OF THE

THE OHIO ENERGY GROUP, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

October 2008

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

IN RE: IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS	)	**CASE NO. 08-917-EL-SSO**
And		
IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	**CASE NO. 08-918-EL-SSO**

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BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

IN RE: IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS	)	**CASE NO. 08-917-EL-SSO**
And		
IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	**CASE NO. 08-918-EL-SSO**

DIRECT TESTIMONY OF LANE KOLLEN

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and business address.

A. My name is Lane Kollen. 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 whom are you employed?

A. I am a utility rate and planning consultant holding the position of Vice President and Principal with the firm of Kennedy and Associates.

Q. Please describe your professional experience and education.

A. I hold both a Bachelor of Business Administration in Accounting degree and a Master of Business Administration degree from the University of Toledo. I also hold a Master of Arts degree from Luther Rice University. I am a Certified Public Accountant and a Certified Management Accountant. I am a member of numerous professional organizations.

I have been an active participant in the utility industry for more than thirty years, both as an employee of The Toledo Edison Company from 1976 to 1983 and as a consultant in the industry since 1983. I have testified as an expert witness on planning, ratemaking, accounting, finance, and tax issues in proceedings before regulatory commissions and courts at the federal and state levels on nearly two hundred occasions, including proceedings before the Public Utilities Commission of Ohio. My qualifications and regulatory appearances are further detailed in my Exhibit___(LK-1).

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Ohio Energy Group, Inc. ("OEG"), a group of large customers who take electric service from Ohio Power Company and Columbus Southern Power Company ("OPC" and "CSP," "Companies," "utilities," or "distribution utilities"). These OEG members are: AK Steel Corporation, ArcelorMittal USA, Brush Wellman, BP-Husky Refining, LLC, E.I.

duPont de Nemours and Company, Ford Motor Co., GE Aviation, Griffin Wheel, PPG Industries, Inc., Republic Engineered Products, Inc., Severstal Wheeling, Inc., (formerly WCI Steel), The Procter and Gamble Co., and Worthington Industries.

Q. Please describe the purpose of your testimony.

A. The purpose of my testimony is to address certain aspects of the Companies' proposed Electric Security Plans ("ESP"), including the Companies' proposal to purchase capacity and energy at market prices in increasing proportions to reflect "the continuing transition to market," the recovery of carrying costs on environmental investments incurred prior to January 1, 2009, the proposed 3% (for CSP) and 7% (for OP) annual non-FAC generation increases, the sale or transfer of certain generating assets and purchased power agreements and entitlements, and the application of the "significantly excessive" earnings test.

Q. Please summarize your testimony.

A. The Commission should modify the Companies' proposed ESPs to limit recoveries through their proposed Fuel Adjustment Clause ("FAC") riders to costs that are prudently incurred in accordance with the requirements of SB 221. The Commission should reject the Companies' request to include the costs of purchases at market prices equal to 5% of their loads in 2009, 10% in 2010 and 15% in 2011. These purchases are not prudent because they will uneconomically displace lower cost Company owned generation and cost-based purchased power that is available to meet their loads. The total harm to ratepayers from the 5%, 10%, 15% market purchase proposal over three years is $452 million for OPC and $418 million for CSP.

The Commission also should modify the Companies' proposed FAC riders to include the incremental increases in AEP pool capacity revenues received (the Companies already propose to include AEP pool capacity payments made) and off-system sales margins over the baseline amounts already included in present rates.

The Commission should reject the Companies' proposal to increase their non-FAC basic generation rates by 3% and 7% for CSP and OPC, respectively. These proposed increases are not cost-based and arbitrarily add $86.974 million to the cost of CSP's ESP over the initial three year term and $262.527 million to the cost of OPC's ESP.

The Commission should reject the Companies' proposal to increase their basic generation rates to include incremental carrying charges on environmental investment incurred during 2001-2008. The Companies' request is inconsistent with the statute, which allows such recoveries only for costs incurred on and after January 1, 2009. For costs incurred in 2009 and subsequent years, the Commission also should modify the computation of the Companies' proposed carrying charge rate to reflect the Section 199 deduction in the income tax expense component. The Commission already decided this issue and required this offset to the Companies' environmental revenue requirement in Case No. 07-63-EL-UNC.

The Commission should reject CSP's request for authorization to sell or transfer thousands of megawatts of generation capacity and reject the Companies' notification that they may sell or transfer various low cost "generation entitlements" (purchased power contracts or entitlements) without seeking the Commission's authorization. Such sales or transfers will result in substantially increased costs for Ohio consumers. For CSP, rates would go up because CSP would become more deficit in the AEP pool, thus increasing its capacity equalization payments to its affiliate utilities. OPC would become less surplus in the AEP pool, thus reducing its capacity equalization receipts from its affiliate utilities. Energy costs for each of the Companies would also increase. The Companies have presented absolutely no economic analysis or study to support these very significant proposals.

Finally, the Commission should decide in this proceeding the structure of the "significantly excessive earnings" test and how it will apply the test in the annual review proceedings so that all parties know the rules going into 2009 and so that the Companies can properly account for any refund obligations in their financial statements. In conjunction with the significantly excessive earnings test, the Commission should reject the Companies' proposals to: 1) exclude off-system sales margins, 2) ignore fuel adjustment clause ("FAC") deferrals, 3) average actual earned returns of the Companies for the review year, instead of applying the test on an individual utility basis as set forth in the statute, and 4) average actual earned return returns of the Companies over a three year period, instead of performing the test annually as required by the statute.

The remainder of my testimony is structured to sequentially address each of the preceding issues.

II. THE PROPOSED FUEL ADJUSTMENT CLAUSES SHOULD BE MODIFIED TO EXCLUDE THE 5%, 10% and 15% MARKET PURCHASES, TO INCLUDE PROFITS FROM OFF SYSTEM SALES, AND TO INCLUDE CAPACITY EQUALIZATION REVENUES

Q. Please describe the AEP-East Interconnection Agreement.

A. Because many of the issues in this case are impacted by the AEP-East Interconnection Agreement it is important to understand how it operates.

The AEP-East Interconnection Agreement, originally entered into on July 6, 1951, is an agreement among the AEP-East Operating Companies, under which the individual generation resources of the participating companies ("Members") are dispatched on a single-system basis, and the costs and benefits of generation resources are shared on a system-wide basis. The Members are OPC, CSP, Kentucky Power Company, Indiana & Michigan Company, and Appalachian Power Company (Virginia and West Virginia). The Interconnection Agreement is a FERC-approved rate schedule.

The Interconnection Agreement provides for meeting total system energy requirements on a least-cost basis from among available resources. AEP Service Corporation, acting as agent for the Members, dispatches energy on an economic basis, assigning the highest incremental cost to off-system sales. Each Member meets its requirement initially out of its own generation to the extent dispatched, and thereafter through primary purchases from affiliates. The Interconnection Agreement prices such purchases at the delivering Member's average cost of generation for the month.

Revenues from off-system sales are initially allocated to the Member providing the generation dispatched for each sale up to the amount of its generation costs for the sale. Above that point, the Members share net revenues (profits or margins) from such sales on the basis of their Member Load Ratio ("MLR")- the ratio for each Member's Non-Coincident Peak ("NCP") load over the latest twelve-month period to the sum of NCP loads for all Members over the same period. Likewise, AEP Service Corporation makes energy purchases on a system basis and apportions the cost by MLR to Members.

The Interconnection Agreement also contains a capacity equalization mechanism to levelize capacity investment imbalances among the AEP-East Members as they rotate the construction of new generation. Each participating Member bears its proportionate share of the system's total capacity and reserves based on the MLR. The 'deficit' Members make capacity payments to the 'surplus" Members based on the surplus Member's weighted average embedded costs of investment in its non-hydroelectric generating plant expressed on a per kilowatt per month basis plus associated fixed operating costs.

Q. **Please describe the Companies' proposal to include purchased power at market prices in their FAC riders.**

A. The Companies propose to include the costs of purchased power acquired at market prices for 5% of their loads in 2009, 10% in 2010 and 15% in 2011.

Companies' witness Mr. Baker describes this aspect of their proposed ESPs as "a limited feature for the continuing transition to market rates." (Baker Direct at 22). The Companies have included the estimated effects of these purchases in their projected FAC rates for 2009 using their projections of market prices for the Market Rate Offer ("MRO") option in the MRO versus ESP comparison found on Baker Exhibit JCB-2.

Q. What is the estimated cost of such purchases at market prices?

A. The Companies estimate that CSP will be able to purchase for $88.15 per mWh and OPC for $85.32 per mWh in 2009, 2010 and 2011, although the actual purchase prices will be reflected in the Companies' FAC riders, not these estimates prices. The Companies estimate that these purchases will cost CSP $100 million in 2009, $200 million in 2010 and $300 million in 2011, for a total of $601 million over the initial term of the ESP. The Companies estimate that these purchases will cost OPC $120 million in 2009, $240 million in 2010, and $360 million in 2011, for a total of $721 million over the initial term of the ESP.

Q. Do the Companies need these purchases to meet their loads?

A. No. In 2007, OPC and CSP had non-requirements sales for resale (to the other AEP Companies and to the AEP System pool for sale off-system) of 29,874 gWh and 10,697 gWh, respectively. In 2009, the Companies project that OPC and CSP will have non-requirements sales for resale of 27,027 gWh and 5,698 gWh, respectively, based on Companies' witness Mr. Nelson's Exhibits PJN-6 and PJN-

3, respectively. In 2009, these sales for resale represent 46% of OPC's available energy sources and 19% of CSP's.

These off-system sales figures demonstrate that both Companies already have significant amounts of surplus energy. To put this in perspective consider that in 2009, OPC's forecasted off-system sales of 27,027 gWh are almost equal to its 2009 forecasted native load sales of 28,151 gWh. For CSP, its 2009 forecasted off-system sales are more than 25% of its 2009 forecasted native load of 22,715 gWh.

Q. Aside from the need aspect, are such purchases at market prices cost-effective for the ratepayers?

A. No. The cost of these purchases is far greater than the Companies would have to pay to purchase from the AEP pool pursuant to the AEP Interconnection Agreement. The Companies legally are entitled under the Interconnection Agreement, a FERC-regulated rate, to power that is available from their sister companies at a significantly lower cost, as I previously described. The following table provides the average monthly rates at which each Company bought from the AEP pool during 2007 and the first six months of 2008 and demonstrates that the costs of such purchases were a mere fraction of the cost of the purchases at market prices that are proposed by the Companies.

AVERAGE COST OF AEP POOL PURCHASES

	CSP Pool Purchases			OP Pool Purchases		
Month	Purchases $/mWh	Purchased mWh	Purchases $000	Purchases $/mWh	Purchased mWh	Purchases $000
Jan 2007	$29.13	992,837	28,924	$24.69	253,765	6,265
Feb 2007	$31.05	890,393	27,650	$26.60	191,341	5,090
Mar 2007	$29.51	942,020	27,801	$22.98	318,558	7,322
Apr 2007	$27.91	951,075	26,547	$23.99	310,294	7,443
May 2007	$19.77	1,225,732	24,236	$26.42	312,309	8,252
Jun 2007	$17.78	1,362,215	24,219	$26.45	399,654	10,571
Jul 2007	$18.49	1,420,635	26,266	$23.89	520,874	12,442
Aug 2007	$19.30	1,157,018	22,325	$27.75	445,639	12,368
Sep 2007	$19.61	1,311,165	25,717	$25.58	447,590	11,448
Oct 2007	$21.07	869,847	18,329	$26.96	387,635	10,452
Nov 2007	$20.65	1,066,288	22,016	$26.67	356,437	9,507
Dec 2007	$20.92	1,156,865	24,196	$25.21	406,609	10,251
Avg 2007	$22.35	13,346,090	298,226	$25.61	4,350,705	111,411
Jan 2008	$20.40	1,311,029	26,748	$24.85	476,442	11,838
Feb 2008	$22.53	1,017,202	22,918	$27.32	390,113	10,659
Mar 2008	$24.00	1,202,286	28,852	$29.29	331,560	9,711
Apr 2008	$24.55	1,146,061	28,131	$29.45	303,402	8,935
May 2008	$23.87	1,156,946	27,613	$27.63	397,894	10,994
Jun 2008	$27.56	1,287,479	35,484	$34.89	371,354	12,958
Avg 7/07-6/08	$21.88	14,102,821	308,595	$27.21	4,835,549	131,563

In essence, the Companies propose to purchase large blocks of power at market prices estimated at $85.32 for OPC and $88.15 for CSP when OPC can purchase from the AEP pool at $25.61 to $27.21 based on its recent actual 12 month purchases from the pool and CSP can purchase at $22.35 to $21.88 based on its recent purchases. That obviously is detrimental to ratepayers.

In addition, the Companies legally are obligated under the Interconnection Agreement to sell power they have available to the other Pool Members. Consequently, the Companies would be required to sell any excess power resulting from their 5%, 10% and 15% purchases into the AEP pool at significantly lower rates than they paid. As I noted previously, OPC sells huge amounts of power to the AEP pool and CSP also sells to the AEP pool. The following table provides the average monthly rates at which each Company sold into the AEP pool during 2007 and the first six months of 2008 and demonstrates that the Companies' proposal to purchase power at market and then resell it to the AEP pool will result in a significant loss on such transactions.

AVERAGE PRICE FOR AEP POOL SALES

	CSP Pool Sales			OP Pool Sales		
Month	Sales $/mWh	Sales mWh	Sales $000	Sales $/mWh	Sales mWh	Sales $000
Jan 2007	$22.69	266,389	6,045	$32.56	1,667,190	54,288
Feb 2007	$25.43	190,357	4,840	$35.42	1,528,168	54,135
Mar 2007	$24.87	200,464	4,985	$51.98	923,745	48,015
Apr 2007	$25.15	293,199	7,374	$48.79	927,439	45,248
May 2007	$30.78	370,039	11,390	$36.07	1,460,726	52,695
Jun 2007	$36.17	447,802	16,196	$31.72	1,824,340	57,859
Jul 2007	$32.14	485,351	15,601	$31.31	1,971,537	61,722
Aug 2007	$38.47	500,355	19,251	$31.32	1,932,121	60,513
Sep 2007	$29.03	417,399	12,118	$25.58	2,194,261	62,823
Oct 2007	$32.21	333,138	10,729	$29.19	2,083,690	60,817
Nov 2007	$24.53	345,165	8,466	$28.36	2,251,702	63,868
Dec 2007	$30.37	269,666	8,189	$58.74	1,084,202	63,689
Avg 2007	$30.39	4,119,324	125,184	$34.54	19,849,121	685,672
Jan 2008	$27.35	353,432	9,668	$32.11	2,207,649	70,898
Feb 2008	$29.32	240,322	7,047	$37.87	1,671,188	63,292
Mar 2008	$30.96	160,126	4,957	$34.78	2,093,351	72,802
Apr 2008	$28.48	211,393	6,021	$39.95	1,612,188	64,403
May 2008	$26.47	298,248	7,895	$39.08	1,812,021	70,818
Jun 2008	$43.97	318,098	13,988	$43.10	1,956,793	84,339
Avg 7/07-6/08	$31.51	3,932,693	123,930	$34.98	22,870,703	799,984

In essence, the Companies propose to purchase at $85.32 for OPC and $88.15 for CSP and sell into the AEP pool for OPC at $34.54 to $34.98 per mWh for recent 12 month periods and for CSP at $30.39 to $31.51 per mWh. That proposal obviously is extremely harmful to ratepayers.

OEG witness Mr. Stephen Baron has prepared a quantification of the increase in the Companies' fuel and purchased power expenses due to the proposed 5%, 10% and 15% purchases. He quantified a harm to CSP ratepayers of $75.4 million annually for each 5% of load supplied by these proposed market purchases and to OPC ratepayers of $69.6 million. Over the initial three-year term of the ESP, the harm to OPC ratepayers would be $452 million and to CSP ratepayers would be $418 million.

Q. Will these proposed 5%, 10% and 15% market purchases result in exporting the Companies' lower costs to the other AEP Members and rate jurisdictions?

A. Yes. If the Companies purchase at market, then these high cost purchases will push lower cost energy to the other AEP Members, which in turn will benefit their ratepayers. Transferring this lower cost power to the AEP System also will allow the AEP System to sell more power in the off-system sales market to third parties, which in turn will provide additional off-system sales margins. These margins are allocated among the AEP Members pursuant to the FERC-approved Interconnection Agreement on the basis of each AEP Company's Member Load Ratio share. AEP shareholders also retain part of the profit from off-system sales.

Consequently, under the Companies' proposal, the additional costs of the purchases at market will be assigned directly to the Ohio retail ratepayers, while the benefits of lower cost generation will be exported to the other AEP Members and other retail jurisdictions, such as West Virginia, Virginia, Kentucky, Indiana, and Michigan. In addition, the increased AEP System off-system sales margins will be shared with AEP's shareholders and with the other AEP Members and their ratepayers in other states.

Q. Do the Companies propose to include the off-system sales margins in their proposed FAC riders?

A. No. The Companies exclude all off-system sales margins from their proposed FAC riders. Thus, the increased costs will be recovered by the Companies through their FAC riders, but none of the increased margins will be used to reduce the costs charged to Ohio ratepayers.

The margins from off-system sales are large. In 2007, the profit from off-system sales received by OPC was $146.7 million and for CSP was $124.1 million, based on the monthly AEP System reports provided by the Companies in response to OEG-2-1. In each of the jurisdictions that AEP operates profits from off-system sales are used by the state commissions to lower rates. For example, in West Virginia profits from off-system sales are flowed through to ratepayers automatically through their fuel adjustment clause. In Kentucky, profits from off-system sales are reflected in base rates and the fuel adjustment clause. While the FERC-approved Interconnection Agreement requires that profits from off-system sales be treated as income to the utilities, each state commission determines its own retail ratemaking treatment. AEP's proposal to insulate off-system sales profits from Ohio ratemaking jurisdiction would be discriminatory. It would place Ohio at a disadvantage compared to West Virginia, Virginia, Kentucky, Indiana and Michigan.

Q. Should the Commission adopt the Companies' proposal to include the 5%, 10% and 15% market purchases in their FAC riders?

A. No. The proposed costs are imprudent and unreasonable. The harm to OPC consumers is \$452 million and to CSP consumers \$418 million.

Thus, the Companies' proposal fails to meet the threshold Section 4928.143(B)(2) requirement that all costs recovered through automatic riders, such as the FAC, be "prudently incurred." The Companies carry the burden of proof on this issue.

Q. Please describe the AEP Pool capacity payments and receipts.

A. The AEP Interconnection Agreement requires Members that are capacity "deficit" to pay the other Members that are capacity "surplus" a monthly capacity equalization charge. OPC is considered a "surplus" Member, so all "deficit" Members must pay OPC a charge to equalize their capacity costs. CSP is a "deficit" Member, so it must pay all surplus Members a fee to equalize their capacity costs.

Q. How do the Companies propose that these AEP capacity receipts (OPC) and capacity payments (CSP) be reflected in their FAC riders?

A. The Companies do not propose to include any AEP pool capacity receipts as an offset to the costs recovered in their proposed FAC riders, according to the detail shown on Mr. Nelson's Exhibits PJN-4 and PJN-5 for OPC.[1] Consequently, the additional AEP pool capacity receipts will be retained by OPC and will not be flowed through to the ratepayers who pay for the generation that allows OPC to receive the receipts.

This asymmetry is unreasonable. If the capacity equalization payments made by CSP are charged to ratepayers in the FAC, then the capacity equalization revenues received by OPC should be credited in the FAC.

Q. How should the Commission modify the Companies' proposed FAC riders?

A. There are three changes that are essential before the Commission can reasonably find the costs recovered through the Companies' FAC riders will be "prudently incurred" and that "benefits derived" are "made available to those who bear the surcharge." The first modification is to reject the Companies' proposal to purchase power at market prices equal to 5% of their loads in 2009, 10% in 2010, and 15% in 2011. The second modification is to include the incremental AEP pool capacity payments received by the Companies. The third modification is to

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[1] Exhibit PJN-5 line 38 shows the amount in account 555 purchased power included for AEP pool capacity of $0 and includes a footnote that this applies only to CSP. In other words, it only is included in the Companies' proposed FAC if the amount is positive, i.e. a payment, which is the case for CSP.

include the incremental off-system sales margins allocated to each Company through the AEP Interconnection Agreement.

III. THE COMMISSION SHOULD REJECT THE PROPOSAL TO ARBITRARILY INCREASE NON-FAC GENERATION RATES ANNUALLY BY 3% FOR CSP AND 7% FOR OPC

Q. Please describe the Companies' proposal to increase their non-FAC basic generation charges by annual percentages during the initial term of their ESPs.

A. None of the Companies' witnesses described this aspect of the Companies' ESPs other than to address the computation of these amounts as reflected on Mr. Baker's Exhibit JCB-2 and Mr. Roush's Exhibit DMR-1. However, the Companies' ESPs include increases in the basic generation rate (non-FAC rate) of 3% annually for CSP and 7% annually for OPC.

This results in annual non-FAC increases of $14.209 million in 2009, $14.636 million in 2010 and $15.075 million in 2011 for CSP, according to Mr. Roush's Exhibit DMR-1 page 1 of 2, with a total over the three years of $87 million, according to Mr. Baker's Exhibit JCB-2. This results in annual non-FAC increases of $41.771 million in 2009, $44.695 million in 2010 and $47.824 million in 2011 for OPC, according to Mr. Roush's Exhibit DMR-1 page 2 of 2, with a total over the three years of $263 million, according to Mr. Baker's Exhibit JCB-2.

Q. Has the Company provided any cost basis in support of these 3% and 7% increases in the non-FAC basic generation rates?

A. No.

Q. Does SB 221 contemplate such arbitrary rate increases?

A. No. It is my understanding as a regulatory expert, and not as a lawyer, that the provisions of SB 221 that authorize rate increases pursuant to an ESP require that such increases be based on prudently incurred costs.

Q. Should the Commission authorize these $87 million and $263 million generation rate increases?

A. No. These proposed increases are arbitrary and are not consistent with the requirements of SB 221 for increases based on prudently incurred costs. In addition, the Companies have utterly failed to meet their burden of proof as set forth in SB 221.

IV. THE COMMISSION SHOULD MODIFY THE PROPOSAL FOR ENVIRONMENTAL CARRYING COSTS

Q. Please describe the Companies' proposal for recovery of environmental carrying charges?

A. The Companies propose to include in their basic generation rate recovery of "environmental carrying charges." The proposed charges consist of a grossed-up rate of return on environmental investment plus depreciation plus property taxes and administrative and general expenses, according to the detail provided on Companies' witness Mr. Philip Nelson's Exhibits PJN-8, PJN-9 and PJN-10. The proposed charges include these carrying charges on environmental investment incurred during 2001 through 2008 (retroactive portion) and annual increases due to environmental capital additions starting in 2009 (prospective portion).

Q. Do you agree with the Companies' proposed recovery of carrying costs on environmental capital additions starting in 2009 (prospective portion)?

A. Yes. I agree with this general concept as long as the recovery is in accordance with the requirements of Section 4928.143(B)(2)(b), which allows utilities to recover the costs of "an environmental expenditure for any electric generating facility of the electric distribution utility, provided the cost is incurred or the expenditure occurs on or after January 1, 2009."

Q. Do you agree with the Companies' proposed recovery of environmental carrying costs on environmental capital additions during 2001 through 2008 (retroactive portion)?

A. No. First, the statute previously cited provides for incremental recovery of prospective environmental costs on or after January 1, 2009, but does not provide for incremental recovery of environmental costs incurred prior to that date.

Second, the Companies' existing RSP rates provide recovery of generation costs, including environmental, through December 31, 2008. The Companies propose that these rate levels be continued effective January 1, 2009 in their basic generation rates. Most recently, the Commission granted increases in the rates charged for generation service in Case No. 07-63-EL-UNC to provide the Companies recovery of their increased environmental costs.

The Companies' claim that existing rates do not provide full recovery of their environmental carrying costs also ignores their non-environmental investment and the effects of accumulated depreciation since 2000. In other words, the Companies' limited analyses fail to demonstrate that there is any net under recovery of generation costs in the aggregate. To the contrary, the evidence indicates that the Companies are not under recovering based on 2007 earnings. In 2007, CSP actually earned 22.1% on common equity and OPC earned 11.7%. The computations of these earned rates of return are detailed on my Exhibit___(LK-2).

Q. What are the effects of the Companies' proposal to recover environmental carrying costs (retroactive portion) on their basic generation rates?

A. The effect is to increase the CSP basic generation rate by $26 million and the OPC basic generation rate by $84 million starting on January 1, 2009, according to Companies witness Mr. Nelson's Exhibit PJN-8. The cumulative effect of this proposal over the three year term of the ESP for CSP ratepayers is $78 million and for OPC ratepayers is $252 million.

Q. What is your recommendation regarding the Companies' proposal to recover environmental carrying costs (retroactive portion) as a component of the basic generation rate?

A. I recommend that the Commission reject the Companies' proposal. This proposal is inconsistent with the statute and fails to properly consider all costs that already are recovered through present rates.

Q. Do you agree with the Companies' computation of the environmental carrying costs?

A. No. The Companies' computation of the carrying charge rates applied to the environmental investment is flawed because it does not reflect the Section 199 deduction in the income tax expense component. The computation of the carrying charge rates is detailed on Companies' witness Mr. Nelson's Exhibit PJN-10.

Q. Has the Commission already decided the issue of whether the Section 199 deduction should be included in the rate of return applied to environmental rate base for the Companies?

A. Yes. The Commission already decided this issue in Case No. 07-63-EL-UNC. The Commission required that the Section 199 deduction be used to reduce the income tax gross-up on the equity return in the computation of the revenue requirement, specifically for environmental costs.

Q. What is your recommendation regarding the Section 199 deduction in the computation of the environmental carrying charges sought by the Companies?

A. I recommend that the Commission direct the Companies to reflect the Section 199 deduction in the computation of the federal income tax component of the carrying charge rate, consistent with the Commission's determination on this issue in Case No. 07-63-EL-UNC.

V. THE COMMISSION SHOULD REJECT THE PROPOSAL TO SELL OR TRANSFER GENERATING ASSETS AND PURCHASED POWER CONTRACTS

Q. Please describe CSP's request for authorization to sell or transfer generating assets.

A. CSP requests authority to sell or transfer the Waterford Energy Center ("Waterford"), a combined cycle plant rated at 821 mW, and the Darby Electric Generating Station ("Darby"), a simple cycle plant rated at 480 mW in the winter and 450 mW in the summer. CSP asserts that it has no plans to sell or transfer the Waterford or Darby plants at this time.

Q. Please describe the Companies' notification to the Commission that they may sell or transfer their "generation entitlements" other than owned generating assets.

A. The Companies argue that they are not obligated to seek authority from the Commission to sell or transfer various "generation entitlements," but that they may do so without further notification to or authorization from the Commission. Other terms for these "generation entitlements" would be "purchased power contracts" or "purchased power entitlements." The costs incurred pursuant to these purchased power contracts or entitlements are recognized by the Companies as purchased power expense. The Companies identify the following contracts or entitlements (Baker Direct at 43-45):

1. CSP's contract with AEP Generating Company for the output of the Lawrenceburg combined cycle plant with a rating of 1,096 mW.

2. CSP and OPC's contractual entitlements to a portion of the output of the OVEC generating facilities, Kyger Creek and Clifty Creek, with CSP's entitlement of 95.6 mW and OPC's entitlement of 370.2 mW.

Q. What reasons does CSP offer in support of their proposal that the Commission authorize the sale or transfer of the Waterford and Darby plants?

A. The only reason offered by CSP is the testimony of CSP witness Mr. Baker that these plants have not previously been included in rate base. They were acquired in 2005 and 2007.

Q. Is CSP's sole reason a sufficient basis for the Commission to authorize the sale or transfer of these two plants?

A. No. First, the Companies cannot "sell or transfer any generating asset it wholly or partly owns at any time without obtaining Commission approval." (Section 4928.17(E)). There are no conditions set forth in the statute limiting its application only to assets that were in rate base, a point that Mr. Baker acknowledges in his testimony. Thus, the Commission should not make its decision to authorize or not on this distinction, but rather on whether the sale or transfer is prudent and whether the effect on the Companies' fuel and purchased power expense is prudent.

Second, the sale or transfer of these assets does not need to be addressed in this proceeding and certainly not through an open-ended pre-authorization as requested by the Companies. If at some future date, CSP has a specific proposal that the Commission can assess, then CSP can file an Application for the Commission to consider the sale or transfer at that time.

Third, the Companies only may recover fuel and purchased power costs that are "prudently incurred" through their FAC riders. If the sale or transfer of these plants causes the Companies' costs recovered through their FAC riders to increase, then the increased costs would not be prudent because they could have been avoided.

The sale or transfer of these assets will cause a huge increase in CSP's capacity equalization payments. Since January 2007 through June 2008, CSP has paid between $8.55 and $11.45 per kW/month for its capacity deficit. If CSP sells or transfers these plants, it will increase its capacity deficit by 2,462.6 mW, which will increase its capacity equalization payments by $252.7 million to $338.4 million annually.

Similarly, if OPC sells or transfers its generation entitlements, this will reduce OPC's capacity equalization receipts. Since January 2007 through June 2008, OPC has received between $8.30 and $11.06 per kW/month for its capacity surplus.

Fourth, the Companies have the burden of proof regarding these issues. Yet, the Companies have done no studies and have no analyses or other documents that "discuss the financial or operational effects of such a sale or transfer," according to the Companies' response to OEG-2-2, a copy of which I have attached as my Exhibit___(LK-3).

Q. What is your recommendation regarding the CSP request that it be authorized to sell or transfer the Waterford and Darby plants?

A. I recommend that the Commission reject CSP's request. It is unsupported and will imprudently increase the Companies' fuel and purchased power expense if CWP actually sells or transfers these plants.

Q. Should the Commission address the Companies' claim that they do not need to seek authorization to sell or transfer their generation entitlements?

A. Yes. I will not comment on whether the Companies have the legal authority to sell or transfer these generation entitlements without specific authorization from the Commission. However, the Commission should make it clear in this proceeding that if the Companies sell or transfer these generation entitlements, that it will consider as imprudent all incremental costs of fuel and purchased power resulting from such transactions and that these incremental costs will not be recoverable through the Companies' FAC riders. As I noted previously, the costs recovered through such automatic recovery mechanisms must be "prudently incurred" and Companies have the burden of proof.

VI. THE COMMISSION SHOULD ESTABLISH THE STRUCTURE FOR THE SIGNIFICANTLY EXCESSIVE EARNINGS TEST AND REJECT PROPOSALS TO EXCLUDE OFF-SYSTEM SALES MARGINS, TO AVERAGE COMPANIES ACTUAL RETURNS, AND TO PERFORM THE EARNINGS TEST OVER A THREE YEAR PERIOD

Q. Please describe the significantly excessive earnings test set forth in SB 221.

A. The significantly excessive earnings test for an ESP is set forth in §4928.143(F) as follows:

> **With regard to the provisions that are included in an electric security plan under this section, the commission shall consider, following the end of each annual period of the plan, if any such adjustments resulted in excessive earnings as measured by whether the earned return on common equity of the electric distribution utility is significantly in excess of the return on common equity that was earned during the same period by publicly traded companies, including utilities, that face comparable business and financial risk, with such adjustments for capital structure as may be appropriate. Consideration also shall be given to the capital requirements of future committed investments in this state. The burden of proof for demonstrating that significantly excessive earnings did not occur shall be on the electric distribution utility. If the commission finds that such adjustments, in the aggregate, did result in significantly excessive earnings, it shall require the electric distribution utility to return to consumers the amount of the excess by prospective adjustments; provided that, upon making such prospective adjustments, the electric distribution utility shall have the right to terminate the plan and immediately file an application pursuant to section 4928.142 of the Revised Code... In making its determination of significantly excessive earnings under this division, the commission shall not consider, directly or indirectly, the revenue, expense, or earnings of any affiliate or parent company.**

Q. Why is the significantly excessive earnings test important to ratepayers?

A. The significantly excessive earnings test provides an important protection to the utility's ratepayers against harm in the event that the utility's revenues significantly exceed the utility's costs to provide generation service to non-shoppers and all other regulated services, including transmission and distribution services.

Q. Does the Commission need to address the methodology for and the application of this test in this proceeding?

A. Yes. The Commission cannot wait until 2010 to determine the methodology it will use to determine the threshold for significantly excessive earnings, the computation of earnings on common, or the application of the methodology. Under Generally Accepted Accounting Principles ("GAAP"), the utilities are required to recognize a regulatory liability for any refunds that arise each year and that will be refunded to ratepayers prospectively in the following year. Thus, the utilities must know the Commission's methodology and how the Commission will apply this methodology for 2009 in 2009.

Q. How should the Commission apply the significantly excessive earnings test for the prior year in the annual reviews?

A. The Commission must determine the appropriate methodology in this proceeding, and then apply that methodology in the annual reviews. The appropriate methodology consists of two components, the significantly excessive earnings threshold and the actual earned return on common equity.

First, the Commission must determine the methodology it will use to compute the rate of return on common equity threshold over which the Companies will be deemed to have significantly excessive earnings that are subject to refund. Once the Commission makes this determination, the methodology should remain the same for use in all future annual review proceedings unless there is some compelling reason to change it prospectively. The methodology for computing the threshold is addressed by OEG witness Mr. Charles King.

Second, in this proceeding, the Commission must determine the methodology it will use to compute the utility's actual earned return on common equity for each review year. This step is necessary so that the actual earnings can be compared to the threshold established in the first step for each year. The Commission should determine whether the earnings on common are to be measured on an accounting basis with no ratemaking adjustments, whether it will allow or require ratemaking adjustments, and if so, what adjustments or types of adjustments will be allowed or required.

In each of the future annual review proceedings, if the Company's actual earnings are in excess of the threshold, then the difference, grossed-up on a revenue requirement basis, should be refunded to ratepayers in accordance with the requirements of the statute.

Q. How should the Commission compute the actual earned return on common equity for each annual period?

A. The Commission should compute the actual earned return on common for each annual period using the per books actual accounting earnings on common and the utility's year-end actual common equity balance, with limited ratemaking adjustments. The authorized ratemaking adjustments should be specified by the Commission in this proceeding and should be modified only prospectively upon consideration of a request from the utility or other party to add or remove such adjustments.

Q. What adjustments should the Commission include on such a list?

A. The list can be as extensive or limited as the Commission believes is necessary to ensure that rates are just and reasonable. At a minimum, the ratemaking adjustments should be consistent with the requirements and limitations on cost-based recoveries specified in Section 4928.143(B)(2). For example, only prudent fuel and purchased power expenses should be included. Also, at a minimum, the ratemaking adjustments that are reflected should be consistent with other Commission orders wherein there were specific disallowances of or directions relating to rate base, expense or rate of return amounts or components.

In addition, the Commission should remove the effects of any refunds in one year based on the significantly excessive earnings test for the prior year so that the refund is computed on a discrete annual basis for the prior year and does not influence the actual earnings for another year.

Finally, the Commission should require the utilities to exclude the effects of fines and penalties, one-time writeoffs, costs and acquisition premiums related to mergers and acquisitions, and effects of mark-to-market accounting for derivative gains and losses.

Q. **Companies witness Mr. Baker proposes that the Commission adjust actual earnings for the review year to exclude the earnings from off-system sales in the computation of significantly excessive earnings (Baker Direct at 38-39). Do you agree?**

A. No. The Commission should reject this and any other proposal to carve-out revenues or earnings from the significantly excessive earnings test for several reasons. First, SB 221 contemplates no such ad hoc exclusions to the utility's earnings. Removal of these would result in a distorted picture of the utilities' financial condition.

Second, the Companies offer no proposal for the removal of all the costs associated with making the off-system sales for purposes of the significantly excessive earnings test. Such off-system sales are available to the Companies and the AEP system only because the costs of the underlying generating assets and purchased power contracts are recovered from ratepayers. These costs include both fixed and variable costs. These costs also include the common equity investment in the Companies' generating facilities. Thus, the Companies' proposal is biased against Ohio ratepayers due to a fundamental mismatch between the off-system sales revenues they propose be removed from the test and the limited, if any, costs that they propose be removed.

Third, the Companies' ESP provides for 5%, 10% and 15% market purchases at higher costs than existing self-generation. The displaced lower cost power then is available for sale to other AEP companies or off-system. It is inequitable for the Companies to arbitrarily increase the costs to ratepayers in this manner and then compound the harm to ratepayers by retaining the entirety of their shares of the resulting increased off-system sales revenues.

Q. Mr. Baker argues that the off-system sales revenues are "FERC-jurisdictional" and should be excluded from retail rates on that basis. (Baker Direct at 38-39). Do you agree?

A. No. This position is completely contrary to the requirements of the Interconnection Agreement and the federal preemption resulting from this FERC-regulated rate. I agree with Mr. Baker that the Interconnection Agreement is a FERC-regulated rate. However, my non-legal understanding of federal preemption is that it does not require that the rate be ignored, but rather requires that the costs or revenues incurred pursuant to that rate be imposed on the states for retail ratemaking purposes. For example, Kentucky Power Company ratepayers presently pay Ohio Power Company for AEP pool capacity charges pursuant to the Interconnection Agreement through a combination of base and environmental surcharge rates. In other words, Kentucky Power Company is required to pay in retail rates the costs incurred due to this FERC-regulated rate.

Similarly, all AEP Companies share in the AEP system off-system sales margins based on their member load ratio shares no matter which utility's power plants actually generated to make the sales. The FERC-regulated rate requires that AEP allocate these margins to each of the AEP Members. In all the AEP regulated jurisdictions, these off-system sales margins are flowed through by the AEP Members to their retail ratepayers. Mr. Baker's position would discriminate against Ohio by applying the FERC approved Interconnection Agreement differently and worse for this state compared to West Virginia, Virginia, Kentucky, Indiana and Michigan.

Q. **If there are significantly excessive earnings, should the Commission gross-up the amount in excess of the earnings threshold to compute the refund amount?**

A. Yes. A gross-up for income taxes is necessary because earnings on common are stated on an after tax basis, not on a before tax revenue basis. Such a gross-up for income taxes is similar to the use historically by the Commission of a gross revenue conversion factor to convert operating income deficiencies or surpluses into revenue deficiencies or surpluses. The objective is to determine the amount of revenue overcollections in the prior year that resulted in the significantly excessive earnings so that an equivalent amount can be refunded to ratepayers.

Q. The statutory test seems to suggest a limitation on the potential refunds by linking the excess earnings to the "adjustments" pursuant to any ESP. Do you agree with such an interpretation?

A. Yes. Subject to a correct understanding of the purpose of the test and the definition and application of the term "adjustments," the statute appears to limit potential refunds to the amount of the ESP increases recovered during the year subject to review. The statute, as previously cited, states:

> **With regard to the provisions that are included in an electric security plan under this section, the commission shall consider, following the end of each annual period of the plan, if any such adjustments resulted in excessive earnings as measured by whether the earned return on common equity of the electric distribution utility is *significantly* in excess of the return on common equity that was earned during the same period by publicly traded companies, including utilities, that face comparable business and financial risk, with such adjustments for capital structure as may be appropriate.**

The interpretation and application of the significantly excessive earnings test must be considered both in the proper context and on the basis of substance over form. The purpose of the test is to provide a meaningful ratepayer protection through an all-inclusive earnings test. This test provides protection against excessive ESP rate increases by incorporating the net effects of all revenues and all costs in the calculation of earnings.

Q. How should the Commission compute the "adjustments" due to the ESP rate increases?

A. The total ESP rate increases or adjustments in any review year should be computed by multiplying the ESP riders by the actual billing determinants for the year. This yields the total ESP revenues in the review year. This annual dollar amount is the maximum amount of the utility's refund obligation during any review year of the ESP.

Q. Is there another possible interpretation that the utilities may argue?

A. Yes. Although the Companies have not advanced this position in this proceeding, another interpretation would be to assume that the term "adjustments" refers both to ESP rate riders and to the specific incremental costs that justified the riders. Under this interpretation, the ESP rate increases and the incremental costs necessarily net to zero. There would be no effect on earnings and an ESP adjustment could never result in significantly excessive earnings.

Q. Would such an interpretation be rational?

A. No. The Commission should reject this interpretation as inconsistent with the plain language of the statue and leading to absurd results. Contrary to this potential interpretation, the term "adjustments" only can mean ESP rate increases. The Commission has jurisdiction over rates. Costs are incurred independent of Commission action. The Commission only can determine the basis for and the amount of rate increases. The Commission does not regulate the actual costs incurred by the utilities. There are thousands of categories of costs incurred by the utility everyday that go up or down independent of any ESP adjustment.

To illustrate this point, assume in any year that the utility incurs $10 in incremental expense and the utility does not seek an ESP rate increase. In this example, the utility's earnings are reduced by $10 before tax, all else equal. Even if the utility's reduced earnings that year were excessive, there would be no "adjustment" that could have "resulted in excessive earnings" because there was no ESP rate increase. Therefore, the utility would face no refund liability.

Now assume that the Commission approves a rate increase of $10 based on its approval of an ESP rider. Here, there is a $10 "adjustment" to rates, and earnings before tax are increased by a like amount. This $10 adjustment is refundable to consumers to the extent there are significantly excessive earnings.

If the utilities' potential interpretation is adopted, there never could be any significantly excessive earnings. Their definition of the term "adjustments" to mean both ESP rate increases and the costs used to justify the increases would preclude any net effect on earnings. If this potential interpretation is adopted, the earnings test is vitiated and meaningless and there would be no meaningful ratepayer protection against excessive rate increases. Although I am not a lawyer and cannot express a legal opinion, it seems to me unlikely that the Legislature and Governor would have included the significantly excessive earnings test in SB 221 if they intended it to be meaningless and offer no protection to consumers.

Q. If the utilities already have excessive earnings before any rate increases due to the ESP, will these excessive earnings be retained by the utilities under a reasonable interpretation of the test?

A. Yes, but only for a limited time period. Under the significantly excessive earnings test, all ESP rate increases will be refunded to the ratepayers until such time as the utility's earnings are reduced to the threshold for significantly excessive earnings. In other words, the significantly excessive earnings will be reduced over time until its earnings hit the significantly excessive threshold. The result is an intentional and structured form of earnings attrition that ensures that rate increases will be refunded until the utilities' costs increase to the point where its earnings are reduced to the significantly excessive threshold. After that point, the utility will be able to implement and retain ESP increases without refunds sufficient to sustain its earnings at the significantly excessive threshold or lower level.

Q. Dr. Makhua asserts that the significantly excessive earnings test is "an asymmetric test, since excessive earnings in a year are to be returned, while shortfalls in prior years are left uncompensated." (Makhua Direct at 27). Please respond.

A. First, the statute defines the significantly excessive earnings test, regardless of its characterization by Dr. Makhua or AEP's apparent dislike for the test. Second, SB 221 is indeed asymmetrical, but in favor of the utilities, not their ratepayers. SB 221 provides the utilities with asymmetric opportunities to recover incremental generation costs as well as to recover distribution costs they otherwise would have to recover through traditional distribution rate cases. In addition, SB 221 allows the utilities to recover and retain excessive earnings to the point where they are "significantly excessive," a level of return much greater than would be allowed in traditional rate cases. The significantly excessive earnings test provides only a limited opportunity for ratepayers to recover excessive rate increases balanced against a regulatory scheme that is extremely favorable to the utilities compared to the traditional regulatory scheme.

Q. Mr. Baker proposes that the significantly excessive earnings test be performed "on the two Companies on a combined basis." (Baker Direct at 39). Please respond.

A. The Companies' proposal is prohibited by the express language of the statute. The statute specifically refers to the earnings of "the electric distribution utility," in the singular, not the plural. The statute states: ". . . the commission shall consider, following the end of each annual period of the plan, if any such adjustments resulted in excessive earnings as measured by whether the earned return on common equity of the electric distribution utility is significantly in excess of the return on common equity . . ."

In addition, the statute prohibits including directly or indirectly the revenue, expenses or earnings of any affiliate, such as sister utilities in the same holding company. The statute states: "In making its determination of significantly excessive earnings under this division, the commission shall not consider, directly or indirectly, the revenue, expense, or earnings of any affiliate or parent company."

Q. Companies' witness Dr. Makhua proposes that the Commission average the Companies' earnings over a three year period, presumably coincident with the initial term of the proposed ESP. (Makhua Direct at 11). Please respond.

A. This proposal also is prohibited by the express language of the statute. The statute specifically requires an annual application of the significantly excessive earnings test. It does not allow averaging over a multi-year period. The statute requires the application of the test "following the end of each annual period of the plan." The test is designed as a ratepayer protection against excessive ESP rate increases that are placed into effect and/or adjusted each year. The Commission is required to consider whether the ESP rate increases in each year resulted in significantly excessive earnings in that same year. Finally, the threshold for significantly excessive earnings must be determined each year because the underlying data necessarily will change each year, including the group of companies that will be considered comparable and their earnings.

Q. How do the Companies' earnings for 2007 compare to the result of the threshold test addressed by OEG witness Mr. King for 2007?

A. Columbus Southern Power Company earned 22.1% and Ohio Power Company earned 11.7% on a per books basis, assuming no ratemaking adjustments. CSP would be over the significantly excessive earnings threshold for 2007 if the threshold is computed in the manner proposed by Mr. King and if the test had been applicable for 2007. The computations are shown on my Exhibit___(LK-2).

Q. Have you quantified the revenue requirement effect of each 1% in earned return on common equity for each of the Companies using 2007 data?

A. Yes. A 1% return on common equity is equivalent to approximately $19 million in increased revenues for Columbus Southern Power Company and $37 million for Ohio Power Company. Stated another way, if the Commission found that the utilities had excess earnings by 1%, then these are the amounts of refunds that would be required.

Q. Does this complete your testimony?

A. Yes.

BEFORE THE

PUBLIC UTILITIES COMMISSION OF OHIO

IN RE:	**IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS**	)	**CASE NO. 08-917-EL-SSO**
	And		
	IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	**CASE NO. 08-918-EL-SSO**

EXHIBITS

OF

LANE KOLLEN

ON BEHALF OF THE

OHIO ENERGY GROUP, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

October 2008

EXHIBIT___(LK-1)

RESUME OF LANE KOLLEN, VICE PRESIDENT

EDUCATION

University of Toledo, BBA
Accounting

University of Toledo, MBA

Luther Rice University, MA

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Management Accountants

More than thirty years of utility industry experience in the financial, rate, tax, and planning areas. Specialization in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

RESUME OF LANE KOLLEN, VICE PRESIDENT

EXPERIENCE

1986 to Present: **J. Kennedy and Associates, Inc.:** Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to 1986: **Energy Management Associates:** Lead Consultant.
Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to 1983: **The Toledo Edison Company:** Planning Supervisor.
Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.
Construction project cancellations and write-offs.
Construction project delays.
Capacity swaps.
Financing alternatives.
Competitive pricing for off-system sales.
Sale/leasebacks.

RESUME OF LANE KOLLEN, VICE PRESIDENT

CLIENTS SERVED

Industrial Companies and Groups

Air Products and Chemicals, Inc.
Airco Industrial Gases
Alcan Aluminum
Armco Advanced Materials Co.
Armco Steel
Bethlehem Steel
Connecticut Industrial Energy Consumers
ELCON
Enron Gas Pipeline Company
Florida Industrial Power Users Group
Gallatin Steel
General Electric Company
GPU Industrial Intervenors
Indiana Industrial Group
Industrial Consumers for Fair Utility Rates - Indiana
Industrial Energy Consumers - Ohio
Kentucky Industrial Utility Customers, Inc.
Kimberly-Clark Company
Lehigh Valley Power Committee
Maryland Industrial Group
Multiple Intervenors (New York)
National Southwire
North Carolina Industrial Energy Consumers
Occidental Chemical Corporation
Ohio Energy Group
Ohio Industrial Energy Consumers
Ohio Manufacturers Association
Philadelphia Area Industrial Energy Users Group
PSI Industrial Group
Smith Cogeneration
Taconite Intervenors (Minnesota)
West Penn Power Industrial Intervenors
West Virginia Energy Users Group
Westvaco Corporation

Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York State Energy Office
Office of Public Utility Counsel (Texas)

Utilities

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation
Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E-	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements. Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
8/87	9885	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Financial workout plan.
8/87	E-015/GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County completion.
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, O&M expense, capital structure, excess deferred income taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric	Financial workout plan. Corp.
5/88	M-87017 -1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017 -2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017- -1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92

**Expert Testimony Appearances
of
Lane Kollen
As of September 2008**

Date	Case	Jurisdict.	Party	Utility	Subject
7/88	M-87017- -2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170- EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171- EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800 355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71)
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282 Phase II	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, phase-in of River Bend 1, recovery of canceled plant.

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.
7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Fuel clause, gain on sale of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenors	Niagara Mohawk Power Corp.	Incentive regulation.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.
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.	Recovery of CAAA costs, least cost financing.
9/91	91-231 -E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.
12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Co.	Financial integrity, strategic planning, declined business affiliations.

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy Corp.	Merger.
11/92	8649	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715-AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.

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12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Bethlehem Steel Corp.	OPEB expense, deferred fuel, CWIP in rate base
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy	Merger. Corp.
3/93	93-01 EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission	Gulf States Utilities/Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities/Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers and Kentucky Attorney General	Big Rivers Electric Corp.	Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.

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1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.
9/94	U-19904 Initial Post-Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post-Merger Earnings Review (Rebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.

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6/95	3905-U	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95 12/95	U-21485 (Supplemental Direct) U-21485 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co. The Cleveland Electric Illuminating Co.	Competition, asset writeoffs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC No. 14967	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.
7/96	8725	MD	The Maryland Industrial Group and Redland Genstar, Inc.	Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp.	Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.

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9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. and Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.

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8/97	R-00973954 (Surrebuttal)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness
10/97	R-974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.

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12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.

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11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEPCO, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	CT	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities stranded costs, recovery mechanisms.

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Date	Case	Jurisdict.	Party	Utility	Subject
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co. and Kentucky Utilities Co.	Alternative regulation.
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Request for accounting order regarding electric industry restructuring costs.
6/99	U-23358	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, and American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596 Surrebuttal	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.

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Date	Case	Jurisdict.	Party	Utility	Subject
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
11/99	21527	TX	Dallas-Ft.Worth Hospital Council and Coalition of Independent Colleges and Universities	TXU Electric	Restructuring, stranded costs, taxes, securitization.
11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
04/00	99-1212-EL-ETPOH 99-1213-EL-ATA 99-1214-EL-AAM		Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.

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07/00	22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
05/00	99-1658-EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission Staff	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.
10/00	PUC 22350 SOAH 473-00-1015	TX	The Dallas-Ft. Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.
10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008 P-00001838 R-00974009	PA	Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.
12/00	U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Stranded costs, regulatory assets.
01/01	U-24993 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.

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01/01	U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. 2000-386	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.
01/01	Case No. 2000-439	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 A-110400F0040	PA	Met-Ed Industrial Users Group Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp/	Merger, savings, reliability.
03/01	P-00001860 P-00001861	PA	Met-Ed Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co. and Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
05/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, Separations methodology.

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07/01	U-21453, U-20925, U-22092 Subdocket B Transmission and Distribution Term Sheet	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.
02/02	25230	TX	Dallas Ft.-Worth Hospital Council & the Coalition of Independent Colleges & Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 and U-22092		Louisiana Public Service Commission	SWEPCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless

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	(Subdocket C)		Staff		conditions.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and The Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.
09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.
11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year Adjustments.
06/03	EL01-88-000 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.

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11/03	ER03-583-000, ER03-583-001, and ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001, and ER03-682-002 ER03-744-000, ER03-744-001 (Consolidated)	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Unit power purchase and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates.
12/03	U-26527 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.
03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459, PUC Docket	TX	Cities Served by Texas-New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including including valuation issues, ITC, ADIT, excess earnings.

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05/04	29206 04-169- EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.
08/04	SOAH Docket 473-04-4556 PUC Docket 29526 *(Suppl Direct)*	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	Docket No. U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.
10/04	Docket No. U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case No. 2004-00321 Case No. 2004-00372	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, etal.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission *Adversary Staff*	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.
02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and § 199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.
09/05	20298-U Panel with Victoria Taylor	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization, cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas and Electric Co.	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider. Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB.
03/06 05/06	31994 31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change. Retrospective ADFIT, prospective ADFIT.

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Date	Case	Jurisdict.	Party	Utility	Subject
03/06	U-21453, U-20925, U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
3/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow-through to ratepayers of excess deferred income taxes and investment Tax credits on generation plant that Is sold or deregulated.
4/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated programs costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
08/06	U-21453, U-20925 U-22092 (Subdocket J)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
11/06	05CVH03-3375 Franklin County Court Affidavit	OH	Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 Subdocket A Reply Testimony	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co..	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
03/07	33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including fractionalization of transmission and distribution costs.
03/07	33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including fractionalization of transmission and distribution costs.

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Date	Case	Jurisdict.	Party	Utility	Subject
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental And Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts
04/07	ER07-684-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Fuel hedging costs and compliance with FERC USOA.
05/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.

Expert Testimony Appearances
of
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As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.
11/07	06-0033-E-CN Direct	WV	West Virginia Energy Users Group	Appalachian Power Company	IGCC surcharge during construction period and post-in-service date.
11/07	ER07-682-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	ER07-682-000 Cross Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Fuctionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue Requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning.

Expert Testimony Appearances
of
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As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning.
04/08	2007-00562 And 2007-00563	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas and Electric Co.	Merger surcredit.
04/08	26837 Direct Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Supplemental Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, incl costs recovered in existing rates, TIER
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, incl projected test year rate base and expenses.
07/08	27163 Panel with Victoria Taylor	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.

Expert Testimony Appearances
of
Lane Kollen
As of September 2008

Date	Case	Jurisdict.	Party	Utility	Subject
08/08	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
09/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.

EXHIBIT___(LK-2)

American Electric Power Operating Companies
2007 Dollar and Percentage Return on Common Equity
Source: Form 1 Pages 112, 114, 115, 117
($000's)

	Columbus Southern Power Company	Ohio Power Company
Common Stock Issued	41,026	321,201
Premium on Capital Stock	257,892	728
Other Paid-In Capital	322,457	535,912
Less: Capital Stock Exp		
Retained Earnings	552,162	1,469,717
Undistributed Sub Earnings	9,533	
Other Comprehensive Income	(16,394)	(36,541)
Total Common Equity	1,166,677	2,291,017
Net Income - Total Company (1)	258,088	268,564
% ROE	**22.12%**	**11.72%**
Each 1% ROE - Net Income Effect	11,667	22,910
Composite Income Tax Rate (Fed and State)	38.60%	38.60%
Each 1% ROE - Revenue Requirement Effect	19,002	37,315
Net Util Oper Inc		
Electric	332,143	372,480
Gas		
Other		
Total	332,143	372,480
Electric %	100.0%	100.0%
Preferred Stock	-	16,627
Long-Term Debt	1,298,224	2,497,005
Total Capitalization	2,464,901	4,804,649
Preferred % of Total Capitalization	0.0%	0.3%

(1) Net Income does not reflect reduction for preferred dividends. (affects only Ohio Power and only by minimal amount).

American Electric Power Operating Companies
Calculation of Composite Income Tax Rate
Tax Year 2008

1. Assume pre-tax income of	$	100.0000
2. State income tax at 8.5%	$	8.5000
3. Taxable income for Federal income tax before manufacturing deduction	$	91.5000
Manufacturing Deduction Rate (Sect. 199)	$	0.0600
4. Less: Manufacturing Deduction (Sect. 199)	$	5.4900
5. Taxable income for Federal income tax (Line 3 - Line 4)	$	86.0100
6. Federal income tax at 35% (Line 5 x 35%)	$	30.1035
7. Total State and Federal income taxes (Line 2 + Line 6)	$	38.6035

EXHIBIT___(LK-3)

AEP OHIO'S RESPONSE TO
OHIO ENERGY GROUP'S
DISCOVERY REQUESTS
SECOND SET
CASE NOS. 08-917-EL-SSO & 08-918-EL-SSO

INTERROGATORY REQUEST NO:

2-2 At page 14 of your Application the Companies seek approval to sell or transfer their generating assets at the expiration of functional separation.

a. Please provide all studies, memoranda, documents or emails that discuss the financial or operational effects of the requested sale or transfer.

b. Please provide all documents which demonstrate that such a sale or transfer is in the best interest of the Companies' ratepayers.

RESPONSE:

a. The Companies are not presently requesting any general authority to sell or transfer their generating assets. Page 14 is intended to describe the approach that would be used when functional separation ultimately ends, i.e., that it would lead to the sale or transfer of their generating assets. No studies, memoranda, documents or emails have been created that discuss the financial or operational effects of such a sale or transfer.

b. Section 4928.17, Ohio Rev. Code, reflects the Ohio General Assembly's determination that corporate separation is in the best interest of electric utility company customers.

Prepared by: J. C. Baker and Counsel

BEFORE THE

PUBLIC UTILITY COMMISSION OF OHIO

IN RE:	**IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS**	)	**Case No. 08-917-EL-SSO**
	And		
	IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	**Case No. 08-918-EL-SSO**

DIRECT TESTIMONY

OF

STEPHEN J. BARON

ON BEHALF OF

THE OHIO ENERGY GROUP

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

October 2008

BEFORE THE

PUBLIC UTILITY COMMISSION OF OHIO

IN RE:	**IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS**	)	**Case No. 08-917-EL-SSO**
	And		
	IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	**Case No. 08-918-EL-SSO**

TABLE OF CONTENTS

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 consumer groups 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?

A. I am testifying on behalf of The Ohio Energy Group ("OEG"), a group of large industrial customers of Columbus Southern Power Company ("CSP") and Ohio Power Company ("OPC"), hereinafter referred to as "the Companies". The members of OEG who take service from the Companies are: AK Steel Corporation, ArcelorMittal USA, Brush Wellman, BP-Husky Refining, LLC., E.I. duPont de Nemours and Company, Ford Motor Co., GE Aviation, Griffin Wheel, PPG Industries, Inc., Republic Engineered Products, Inc., Severstal Warren, Inc. (formerly WCI Steel), The Procter and Gamble Co. and Worthington Industries.

Q. Have you previously presented testimony in any of the Companies' cases in Ohio?

A. Yes. I have previously testified in Case Nos. 85-726-EL-AIR and 07-63-EL-UNC. I have also testified in numerous AEP cases in Kentucky, West Virginia, Virginia, Louisiana, Indiana and before the FERC.

Q. What is the purpose of your testimony?

A. I am addressing a number of issues raised by the Companies' proposed ESP associated with its requested rates and riders. First, I will address the impact of the Companies' proposals to include market purchases in their ESP generation rates. As described by witness Baker, the Companies have included market purchases of 5% in 2009, 10% in 2010 and 15% in 2011 in the overall ESP generation rates.

OEG witness Kollen will specifically address this issue in his testimony. I will present the impact of the market purchases on 2009 projected rate levels.

I will also address the Companies' proposed non-bypassable Provider of Last Resort ("POLR") charge that is designed to compensate the Companies for the cost associated with POLR switching risk by the Companies retail customers. As described in the testimony of the Companies' witness Craig Baker, this charge is based on a quantification of the cost of an "option" that permits ESP customers to opportunistically shop and shopping customers to opportunistically return to ESP SSO service. While OEG has not determined whether this option is correctly priced, OEG does oppose the POLR charge in the event that a customer waives its option (shopping) rights during the ESP.

I will address the Companies' proposed Energy Efficiency Rider, and specifically the proposed allocation of these costs to rate schedules. OEG supports the Companies' EER proposal.

Finally, I will address the Companies' proposed demand response options. As discussed in Companies' witness David Roush's testimony, the Companies have modified their tariff language to specifically prohibit SSO customers from participating in PJM Demand Response programs, either via a third party provider or directly as a PJM member. OEG recommends that the Companies' ESP plan include provisions wherein AEP will offer non-shopping customers PJM Demand response options. Effectively, AEP, a PJM member, should make available to its ESP customers the option to participate in the PJM programs through AEP.

Q. Would you please summarize your testimony?

A. Yes.

1. As recommended by OEG witness Kollen, the Companies' ESP proposal to include market based purchases of 5%, 10% and 15% of total energy requirements in 2009, 2010 and 2011 is unreasonable. The inclusion of these market purchases will have a very significant and detrimental impact on the Companies' ESP rates. In 2009, as a result of the Companies' proposal to purchase market based energy rather than obtain energy from the AEP pool, CSP's rates will be higher by $69.5 million and OPCO's rates will be higher by $75.4 million. In 2010 and 2011 the impact will be roughly two to three times greater (respectively) for each Company.

2. The Companies have proposed a non-bypassable POLR charge based on the calculated cost of an option to purchase SSO service at the proposed ESP rates. This POLR charge is designed to provide compensation to the Companies due to their obligations to provide POLR service to customers, who may switch to an alternative supplier or return to SSO service from an alternate supplier during the three year term of the ESP. While the proposed charge may be conceptually correct, I have not verified whether it is computationally correct. Notwithstanding this,

however, the charge should be waived for ESP customers who either: a) agree to forego their right to shop during the three year term of the ESP; or b) agree to not take service under the ESP and, in the event of a return to POLR service, agree to waive their right to take service under the ESP and accept market based rates.

3. The Companies' proposed Energy Efficiency Rider is reasonable and the underlying allocation of costs on a direct assignment basis is appropriate and should be adopted by the Commission.

4. The Companies' have proposed to prohibit customers from participating directly in PJM Demand Response programs (via third party providers or directly through PJM membership). If this prohibition is adopted, the Companies should be required to offer PJM Demand Response programs to large industrial customers on an optional basis via an ESP tariff rider. AEP should either offer its customers opportunities to participate in these PJM programs directly, or through contractual arrangements with third party providers.

II. RATE IMPACT OF MARKET PURCHASES INCLUDED IN ESP RATES

Q. OEG Witness Lane Kollen addresses and objects to the Companies' proposal to include the 5%, 10% and 15% market purchases in the computation of their proposed ESP fuel and purchased power adjustment calculations. Have you calculated the impact of these market purchases on the Companies' proposed ESP charges?

A. Yes. As discussed by Mr. Kollen, the Companies proposal to include market purchases as part of their proposed ESP generation rates is unreasonable. As explained by Companies' witnesses Baker and Roush, the Companies are proposing to include the costs associated with market purchases comprising 5% of their total generation in 2009, 10% in 2010 and 15% in 2011. The cost of these market purchases are significantly higher than the average fuel and purchased power costs for the Companies. They are also significantly more expensive than the cost of available AEP pool purchases. For CSP, the assumed market price of energy in 2009 is $88.15 per mWh, compared to a pool purchase cost of $26.15 per mWh and an average fuel and purchased power cost of $36.49 per mWh. For OPCO, the assumed market price is $85.32 per mWh, compared to a pool cost of $21.74 per mWh and an average fuel and purchased power cost of $30.38 per mWh. <u>The Companies' proposed market purchases are 3.5 to 4 times as expensive as pool purchases</u>.

Q. Have you calculated the impact of these market purchases on 2009 ESP rates for each Company?

A. Yes. Based on data supplied by the Companies in the testimony and exhibits of Mr. Roush and witness Philip Nelson, together with the Companies response to Staff data request No. 10-1, I have developed an analysis of the impact on customer rates from the Companies proposal to include market purchases in its ESP fuel and purchased power costs.

Table 1 below shows the revenue and percentage increases proposed by CSP. This table does not reflect the deferrals proposed by the Company. Since ratepayers will ultimately be required to pay all of the deferral costs, it is appropriate to present the full increases produced under the ESP proposal. Also shown on Table 1 is a similar set of increases in which AEP pool purchases have been substituted for the 5% market purchases included in the Company's 2009 ESP revenue increase calculation.

Table 1 Columbus Southern Power Co. 2009 Proposed ESP Revenue Increases					
	2009 Rates As Filed Without Deferral		2009 Rates, No Market Purchases Without Deferral		
Tariff Class	$ Increase	% Increase		$ Increase	% Increase
Residential	$ 143,495,224	19.6%	$	119,342,559	16.3%
GS-1	7,680,997	17.2%		6,493,652	14.6%
GS-2	35,590,955	18.1%		29,740,353	15.1%
GS-3	119,211,671	21.7%		95,773,921	17.4%
GS-4/IRP-D	38,835,958	28.5%		30,136,004	22.1%
AL	1,201,113	11.7%		1,024,419	10.0%
SL	692,381	14.4%		564,833	11.8%
CSP/OP Joint	2,913,607	2.8%		(3,007,839)	-2.9%
Total	$ 349,621,907	19.7%	$	280,067,902	15.7%
Difference			$	(69,554,005)	

Table 2 shows a similar summary for OPCO.

Table 2 Ohio Power Co. 2009 Proposed ESP Revenue Increases					
	2009 Rates As Filed Without Deferral		2009 Rates, No Market Purchases Without Deferral		
Tariff Class	$ Increase	% Increase		$ Increase	% Increase
Residential	$ 170,653,977	27.9%	$	149,513,762	24.4%
GS-1	9,618,912	27.1%		8,574,588	24.1%
GS-2	79,489,573	29.5%		69,658,299	25.8%
GS-3	125,961,225	33.1%		108,123,401	28.4%
GS-4/IRP-D	128,644,811	42.1%		108,869,429	35.6%
OL	1,718,216	18.0%		1,553,465	16.2%
SL	1,818,394	20.9%		1,624,558	18.6%
EHG	497,227	29.4%		427,513	25.3%
EHS	6,880	47.1%		5,580	38.2%
SS	1,181,744	31.4%		1,028,661	27.4%
SBS	37,035	20.5%		33,931	18.8%
CSP/OP Joint	4,992,788	5.1%		(165,619)	-0.2%
Total	$ 524,620,783	30.4%	$	449,247,569	26.0%
Difference			$	(75,373,214)	

Q. What do you conclude from this analysis?

A. It is clear that the Companies' proposal to include the 5%, 10% and 15% market purchases in their ESP generation rates results in significant cost increases to customers. For 2009 alone, this amounts to $69.5 million for CSP and $75.4 million for OPCO. In 2010 and 2011, the impact would be roughly two and three times larger (respectively), due to the increased level of purchases.

III. AEP's PROPOSED PROVIDER OF LAST RESORT CHARGE

Q. Have you reviewed the Companies' proposed Provider of Last Resorts charge?

A. Yes. As described by Companies' witness Craig Baker, the POLR charge is designed to compensate the Companies for the costs associated with "standing by" to serve returning shopping customers at the ESP rates and the cost to the Companies from ESP customers opportunistically leaving SSO service for lower priced market rates provided by Competitive Retail Electric Service ("CRES") providers. Mr. Baker characterizes this economically driven opportunistic behavior as causing the Companies to "buy high and sell low."[1] The basis for the charge, which is non-bypassable, is that SSO customers are free to shop whenever the market price from CRES suppliers is lower and return to SSO service whenever the ESP rates are lower than market. This creates a cost to the Companies that the POLR charge is designed to compensate.

Q. How have the Companies calculated their proposed non-bypassable charge?

A. The Companies have calculated a POLR charge that is designed to reflect the value of a financial option that would permit the owner to purchase SSO service at the proposed AEP ESP rates. Using the Black-Scholes model, the Companies have computed separate option prices for CSP and OPCO, based on a series of inputs

[1] Baker Direct Testimony at page 30, line 13.

including the expected market price, the strike price (represented by the proposed ESP rates) and the three year time-frame covered by the ESP.

Q. **Do you disagree with the approach that the Companies are using to calculate the POLR option charge?**

A. While I don't disagree with the conceptual basis of the charge, I have not verified the proposed level of the charge itself. However, I do disagree that it should be imposed on all customers, whether or not they want to "purchase" the option. In the event that a customer elects to waive their option rights, such a customer should not be required to purchase the AEP "POLR Option." During the three year term of the ESP, the Companies are proposing that each customer be required to purchase an option that will give such a customer the right (in economic terms) to either leave SSO service for a lower market price or return from the market to a lower SSO price (the ESP tariff). In either case, the Companies are required to 1) absorb the loss if the market becomes less expensive than the ESP price or 2) stand-by to serve potential return CRES customers in the event that the market becomes more expensive. There is a cost to providing customers this "option." However, if customers elect to waive their rights to shop during the three year ESP term, then there is no risk to the Companies from customer switching and no basis for the Companies to impose the POLR option charge. Simply put, if a customer decides to not buy the "option," then there should be no charge. Customers should not be "forced" to purchase an option if they can make a three year binding commitment to waive their shopping rights, which would result in the Companies avoiding the switching risks identified by witness Baker.

Q. Would you describe your specific recommendation on this issue?

A. The Companies' POLR charge should be waived for ESP customers who either:

> **a) Agree to forego their right to shop during the three year term of the ESP**
>
> **<u>OR</u>**
>
> **b) Agree to <u>not</u> take service under the ESP and, in the event of a return to POLR service, agree to waive their right to take service under the ESP and accept market based rates.**

If a customer, by election, agrees to either remain an ESP customer for the entire three year plan term, or agrees to not take the ESP POLR generation rate during the three year plan because the customer elects to shop, and further agrees to take market priced service in the event of a return to POLR service, the Companies would not incur any of the risks identified by Mr. Baker, which is the basis for the option based POLR charge. Customer's electing this "waiver" should not be charge the POLR charge.

IV. RATE ISSUES

Q. Have you reviewed the Companies' proposed cost recovery methodology in the Energy Efficiency and Peak Demand Reduction Cost Recovery Rider?

A. Yes. As described by Companies' witness Roush and presented in his exhibits, this rider is designed to recover the costs associated with energy efficiency programs from customer classes on the basis in which these costs are incurred. Effectively, the program costs are being assigned to rate classes on the basis of customer use of the programs. This is a reasonable approach to cost recovery and OEG supports the proposal.

Q. Have you reviewed Companies witness Roush's testimony regarding a prohibition of SSO customers from participating directly or indirectly in the PJM Demand Response program?

A. Yes. Mr. Roush discusses the Companies proposal to prohibit SSO customer participation in these programs via a third party competitive supplier or directly as a PJM member. The Companies position appears to be that SSO customers should not be permitted to participate in a wholesale PJM program, while purchasing provider of last resort supply. If this prohibition is adopted, the Companies should be required to offer PJM Demand Response programs to large industrial customers on an optional basis via an ESP tariff rider. The Companies' proposals for demand response programs should include specific participation by its retail customers in the PJM programs.

Q. Would you briefly describe the PJM Demand Response program?

A. Yes. PJM has had demand response programs in effect for a number of years. One of the early programs was the Active Load Management ("ALM") program, which is essentially a traditional interruptible load arrangement that retail customers could participate in via their Load Serving Entities (LSEs). The ALM program has been revised to accommodate the market driven capacity obligation mechanism of the PJM Reliability Planning Model ("RPM"). Demand resources can be directly bid into the RPM process (Demand Resource) or participate as Interruptible Load for Reliability ("ILR"). ILR load is certified that it can be interrupted and paid a price (interruptible credit) tied to the zonal capacity charge. PJM also offers other capacity related demand response programs associated with the PJM Synchronized Reserve Market and the PJM Regulation Market. Finally, PJM also offers economic demand response programs tied to locational marginal cost ("LMP"). These economic programs permit customers to participate in the savings associated with the difference between LMP costs and their generation rates. All of these programs are at the wholesale level, which means that a retail customer must participate through a competitive supplier (such as a curtailment service provider) or a Load Serving Entity such as AEP.[2]

Q. Should the Companies develop additional Demand Response programs, tied to the PJM programs as part of their ESP?

A. Yes. The Companies should offer, either directly, or through designated third party suppliers with whom the Companies enter agreements, participation in the PJM programs. To the extent that there are real benefits to the Companies and their retail customers from participation, there is no reason to simply foreclose the opportunity to participate. While OEG recognizes that there must be coordination between the Companies and customer participation in PJM Demand Response programs under the ESP, this does not mean that potential savings to participating customers and perhaps, all of the Companies' customers should be foregone.

Q. The Companies currently offer Industrial Interruptible rates through their IRP rate schedules. Would these schedules be affected by your recommendation?

[2] As noted previously in my testimony, it is possible for an individual customer to become a member of PJM and participate directly in the programs.

A. No. These rate schedules should continue to be offered, as proposed by the Companies. My recommendation is to expand the Demand Response programs through the use of the PJM Demand Response options.

Q. Does that complete your Direct Testimony?

A. Yes.

BEFORE THE

PUBLIC UTILITY COMMISSION OF OIHO

IN RE:	**IN THE MATTER OF THE APPLICATION OF COLUMBUS SOUTHERN POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN; AND THE SALE OR TRANSFER OF CERTAIN GENERATING ASSETS**	)	**Case No. 08-917-EL-SSO**
	And		
	IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR APPROVAL OF ITS ELECTRIC SECURITY PLAN; AND AN AMENDMENT TO ITS CORPORATE SEPARATION PLAN	)	**Case No. 08-918-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. 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 my career, he has provided consulting services to more than thirty utility, industrial, and Public Service Commission clients, including three international utility clients.

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, Virginia, West Virginia, Wisconsin, Wyoming, the Federal Energy Regulatory Commission and in United States Bankruptcy Court. A list of his specific regulatory appearances follows.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	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	830470-EI	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-842651	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	I-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	9243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3498-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-249	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of Santa	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
6/85	84-768-E-42T	Clara WV	West Virginia Industrial Intervenors	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
6/85	E-7 Sub 391	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.
2/85	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/85	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenors	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.
12/86	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	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	86-524-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 Intervenors	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-860025	PA	Pennsylvania Industrial Intervenors		Proposed rules for cogeneration, avoided cost, rate recovery.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
10/87	E-015/ GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Excess capacity, power and cost-of-service, rate design.
10/87	8702-EI	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 Intervenors	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenors	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	870216/283 284/286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.

Expert Testimony Appearances
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Date	Case	Jurisdict.	Party	Utility	Subject
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.
8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
9/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudence - 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	890366	PA	GPU Industrial Intervenors	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.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
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.
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 Note: No testimony was prefiled on this.	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
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	91-410-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 - QF projects.

Expert Testimony Appearances
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As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
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.
8/92	2437	NM	New Mexico Industrial Intervenors	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenors	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 Intervenors	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-00922378	PA	Armco Advanced Materials Co. The WPP Industrial Intervenors	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/Entergy 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 DSM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
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.
4/94	E-015/ GR-94-001	MN	Large Power Intervenors	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 Intervenors	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 ER94-898-000	FERC	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.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
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-00946104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.
8/95	ER95-112 -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 Bankruptcy 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.

Expert Testimony Appearances
of
Stephen J. Baron
As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
6/97	R-973953	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
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-22491	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
11/97	P-971265	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 Intervenors	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenors	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	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate

Expert Testimony Appearances
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As of October 2008

Date	Case	Jurisdict.	Party	Utility	Subject
			Millennium Inorganic Chemicals Inc.		unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross-Answering Testimony)	EC-98-40-000	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.
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.	Anantysi 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	99-1658-EL-ETP	OH	AK Steel Corporation	Cincinnati Gas & Electric Co.	Electric utility restructuring, stranded cost recovery, rate Unbundling.

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Date	Case	Jurisdict.	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	00-1050 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	EL00-66-000 & 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-25965	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-25965	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO Issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEPCO, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.

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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 MSS-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, L.P, 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 Intervenors	Duquesne Light Company	Provider of last resort issues.
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybedenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.

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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., Holcim (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 PPLICA	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. 2004-00426 Case No. 2004-00421	KY	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
09/05	Case Nos. 05-0402-E-CN 05-0750-E-PC	WVA	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 Texas and Louisiana Companies.
04/06	U-25116	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 Texas and Louisiana Companies.

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07/06	Case No. 2006-00130 Case No. 2006-00129	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/06	Case No. PUE-2006-00065	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Revenue Incr, Off-System Sales margin rate treatment
11/06	Doc. No. 97-01-15RE02	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. 06-0960-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 Surcharge 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. 05-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	Cimarex 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 Intervenors	West Penn Power Co.	Default Service Plan issues.

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3/08	Doc No. E-01933A-05-0650	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 E-GI	WVA	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. 08-124-EL-ATA	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. 07-035-93	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Case No. 08-936-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. 08-935-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan