

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF ITS 2011 ENVIRONMENTAL)
COMPLIANCE PLAN, FOR APPROVAL OF ITS)
AMENDED ENVIRONMENTAL COST RECOVERY)
SURCHARGE TARIFF, AND FOR THE GRANT OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION AND)
ACQUISITION OF RELATED FACILITIES)**

**)
CASE NO. 2011-00401**

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

DIRECT TESTIMONY

AND EXHIBITS

OF

STEPHEN J. BARON

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

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

March 2012

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CASE NO. 2011-00401

DIRECT TESTIMONY OF STEPHEN J. BARON

1

I. QUALIFICATIONS AND SUMMARY

2 Q. Please state your name and business address.

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

6

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

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

10

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

J. Kennedy and Associates, Inc.

1 A. Kennedy and Associates provides consulting services in the electric and gas utility
2 industries. Our clients include state agencies and industrial electricity consumers.
3 The firm provides expertise in system planning, load forecasting, financial analysis,
4 cost-of-service, and rate design. Current clients include the Georgia and Louisiana
5 Public Service Commissions, and industrial consumer groups throughout the United
6 States.

7

8 **Q. Please state your educational background and experience.**

9 A. I graduated from the University of Florida in 1972 with a B.A. degree with high
10 honors in Political Science and significant coursework in Mathematics and
11 Computer Science. In 1974, I received a Master of Arts Degree in Economics, also
12 from the University of Florida.

13

14 I have more than thirty years of experience in the electric utility industry in the areas
15 of cost and rate analysis, forecasting, planning, and economic analysis.

16

17 I have presented testimony as an expert witness in Arizona, Arkansas, Colorado,
18 Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan,
19 Minnesota, Maryland, Missouri, New Jersey, New Mexico, New York, North
20 Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia, West Virginia, Wisconsin,
21 Wyoming, the Federal Energy Regulatory Commission and in United States
22 Bankruptcy Court.

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A complete copy of my resume and my testimony appearances is contained in Baron Exhibit__(SJB-1).

Q. Have you previously presented testimony before the Kentucky Public Service Commission?

A. Yes. I have testified before the Kentucky Public Service Commission in seventeen cases over the past thirty years, including Kentucky Power cases. I have also testified in numerous AEP cases in other jurisdictions, including Ohio, West Virginia, Virginia, Indiana, Louisiana and Before the Federal Energy Regulatory Commission.

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

A. I am testifying on behalf of the Kentucky Industrial Utility Customers, Inc. (“KIUC”). KIUC members take service on a number of KPCo rate schedules, primarily on rates CIP-TOD and QP.

Q. What is the purpose of your testimony?

A. I am responding to the Company’s proposed Environmental Cost Recovery (“ECR”) surcharge rate design methodology that results in a uniform percentage charge for each rate schedule and individual customer. The Company’s rate recovery methodology (discussed in the testimony of KPCo witness Lila Munsey), does not

1 consider, in any manner, differences in the environmental costs that can reasonably
2 be attributable to each rate class. Rather, the Company's methodology recovers
3 these ECR costs on a total revenue basis without any consideration of cost
4 responsibility. The Company's requested methodology is not consistent with cost-
5 of-service and cost causation principles. In particular, the methodology leads to an
6 over-collection of environmental costs from high load factor Commercial and
7 Industrial ("C&I") customers. As a result, the Company's ECR rate recovery
8 methodology likely adversely impacts economic development in Kentucky.

9

10 I will propose an alternative methodology that provides a reasonable consideration
11 of cost of service principles among the larger business rate classes while
12 maintaining the current cost recovery methodology for residential customers.
13 KIUC's proposal will not have any impact on residential customers and thus
14 provides full mitigation to these smaller customers from the impact of using a more
15 "cost-based" ECR cost recovery mechanism for larger customers.

16

17 **Q. Would you please summarize your testimony?**

18 **A.** Yes. I recommend and conclude the following:

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- The Commission should maintain the existing ECR rate recovery mechanism for residential customers as filed by KPCo in this case. The allocation to off-system sales customers should also not be changed. This ECR recovery factor should be based on a uniform total revenue factor calculated pursuant to the existing ECR.

- The Commission should modify the ECR rate recovery mechanism among all other rate classes (primarily, business customers) such that the ECR recovery factor for these rate schedules is determined by recovering the ECR revenue requirement on the basis of non-fuel base revenues. The ECR recovery factor should be calculated for these non-residential rates using a ratio of the allocated ECR revenue requirement to non-fuel base revenues. Because the environmental costs at issue in this case are primarily demand-related there is no basis to allocate those costs to non-residential customers based on their fuel usage. Using a “non-fuel base revenue” ECR recovery factor will also enhance the competitiveness of the Company’s largest, high load factor manufacturing customers who must compete on a national and international basis.

- The modified two-step ECR rate recovery mechanism should also apply to the recovery of costs from all current ECR projects that are subject to ECR surcharge recovery. Also, in any subsequent roll-in of ECR costs to base rates, the roll-in should reflect separate residential and non-residential adjustments to base rates following the two-step allocation methodology recommended by KIUC. Residential base rates would be adjusted using the current methodology; non-residential rates would be adjusted on a non-fuel base rate basis.

1 fuel revenues from both the FAC and fuel costs that have been rolled-in to base
2 rates. Business customers that have high load factors (i.e., use each kW of demand
3 for many hours during the year) pay a large amount of fuel charges compared to
4 lower load factor business customers. While this is reasonable for variable costs,
5 such as fuel, it is not reasonable for environmental costs, most of which are fixed
6 costs. Because these high load factor customers use electricity for a greater
7 percentage of the time (i.e., more hours per month), their monthly bills contain a
8 larger proportion of kWh related fuel costs. The Company's proposed ECR
9 recovery factor will be applied to total revenues, including these higher fuel
10 revenues. As a result, business customers with high load factors are assigned ECR
11 revenue requirements in a disproportionate manner compared to low load factor
12 business customers.

13
14 **Q. Is this rate recovery consistent with cost of service and cost causation?**

15 A. No. In the KPCo base rate case class cost of service study, ECR costs that are
16 associated with a return on environmental investment, depreciation and fixed O&M
17 expenses are considered demand-related and are not assigned on the basis of kWh
18 energy or in proportion to fuel expenses, but rather on a 12 coincident peak demand
19 basis. While the KPCo proposed ECR recovery factor is not based entirely on
20 customer fuel charges, a large portion of ECR costs that will be assigned to high
21 load factor business customers is due simply to the level of these customers' fuel
22 charges. Because the majority of ECR revenue requirements are fixed costs that are

1 unrelated to energy use or the level of KPCo's fuel expenses, it is not reasonable to
2 apply the ECR recovery factor to customers on the basis of the level of fuel expenses
3 charged in their electric bills.

4

5 **Q. Would you explain your recommended ECR rate recovery methodology?**

6 A. Yes. KIUC recommends that the ECR rate recovery mechanism proposed by KPCo
7 in this case be modified so that ECR costs would be recovered using separate ECR
8 factors for residential and non-residential customers. Specifically, KIUC
9 recommends that a two-step methodology be used to set the ECR factor for the
10 residential rate class and all non-residential classes. The first step in the
11 methodology is to allocate the ECR revenue requirement between 1) the residential
12 class and 2) all non-residential rate classes as a group based on the Company's
13 existing (and proposed) "total revenue" methodology. The allocated ECR revenue
14 requirement to the residential class would then be used to compute a "total revenue"
15 ECR factor following the current methodology. This will result in a residential class
16 ECR factor identical to the Company's proposal in this case.

17

18 The ECR factor for all non-residential rate classes will then be computed based on
19 the remaining ECR revenue requirements (the non-residential ECR costs)
20 determined in step-one divided by "non-fuel base revenues." As I will demonstrate,
21 the KIUC methodology will not have any impact on residential rates because the
22 ECR factor will continue to be based on total revenues. For non-residential rate

1 classes, a uniform ECR percentage factor will be developed using non-fuel base
2 revenues instead of the total revenues proposed by KPCo.

3

4 **Q. What is the justification for your two-factor methodology?**

5 A. The main justification is that it mitigates the impact of moving to a more cost-based
6 methodology for residential customers, yet provides some movement towards cost
7 of service for non-residential rate classes by eliminating fuel revenues in the ECR
8 cost allocation process. Table 1 below shows a classification of the \$168 million
9 ECR revenue requirement at issue in this case between fixed and variable costs. As
10 can be seen in this table, about 77% of the ECR revenue requirement at issue in this
11 case is comprised of fixed costs, unrelated to fuel costs.

12

Table 1				
ECR Revenue Requirement Classification - Fixed/Variable				
			<u>Fixed</u>	<u>Variable</u>
Pool Capacity		306,612	306,612	
Rockport		<u>480,780</u>	<u>480,780</u>	
		787,392	787,392	
KY Retail	78.91%	621,331	621,331	
Allowances		4,381,681		4,381,681
Big Sandy 2				
	Rate Base	92,818,512	92,818,512	
	Depr	63,732,683	63,732,683	
	Prop Tax	1,337,670	1,337,670	
	O&M	<u>48,667,000</u>	<u>5,070,000</u>	43,597,000
	Total	206,555,865	162,958,865	43,597,000
KY Retail	78.91%	162,993,233	128,590,840	34,402,393
Total		167,996,245	129,212,171	38,784,074
Percent Fixed/Variable			76.9%	23.1%

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The current KPCo total revenue ECR recovery factor ignores this important underlying cost information because it includes fuel revenues in the ECR cost recovery/allocation. A non-fuel base revenue ECR recovery factor is a more reasonable method since it eliminates fuel costs in the ECR cost allocation process. A non-fuel base revenue allocation method is more consistent with the underlying fixed cost composition of ECR costs.

Q. Would you explain how you developed your proposed ECR factors?

1 A. Baron Exhibit__(SJB-2) summarizes KPCo’s retail revenues for the 12 months
2 ending August 2011. This schedule shows the composition of total revenues,
3 including the amount of fuel revenues included in base rates.² I have used this data
4 to develop the KIUC proposed ECR recovery factors.

5
6 Baron Exhibit__(SJB-3) shows the development of the residential and non-
7 residential factors. The first step in the analysis is to develop the allocation factors
8 used to assign the ECR revenue requirement to the residential and non-residential
9 rate classes. This is shown in the first three columns of (SJB-3). Using the current
10 total revenue allocation method, the residential class would be assigned 40.79% of
11 the ECR revenue requirement, with the remaining 59.21% allocated to all of the
12 non-residential classes. The residential ECR factor, following the current KPCo
13 methodology, is then determined by dividing the allocated residential revenue
14 requirement by total residential class revenues.

15
16 In step two of the allocation, the remaining 59.21% of ECR revenue requirements
17 are recovered from the non-residential rate classes on the basis of non-fuel base
18 revenues. Non-fuel base revenues are shown in the last column of (SJB-3) and are

² As the Company explained in response to KIUC Second Set, Item No. 32, there are some differences in the total revenues shown in Baron Exhibit__(SJB-2) [based on data provided in response to KIUC 1-40] and KPCo Exhibit LPM-5 due to timing differences and the use of estimated revenues in Exhibit LPM-5. Also, in response to KIUC Second Set, Item No. 31, KPCo explains that there are some small differences between the “Revenue Subject to ECR Factor” shown in response to KIUC 1-40 [the basis for Baron Exhibit__(SJB-2)] and “Total Revenues less ECR Revenues” due to the inclusion of some prior period billing adjustments.

1 calculated by subtracting fuel and rider costs from total revenues. Non-residential,
2 non-fuel base revenues are \$200,760,652 for the period 12 months ending August
3 2011.

4

5 **Q. Using the KIUC two-step methodology, what are the residential and non-**
6 **residential ECR recovery factors based on the Company's estimated \$168**
7 **million ECR revenue requirement?**

8 A. Table 2 below shows these ECR factors using the two-step method. As I indicated
9 previously, the Residential class ECR factor (29.49%) is identical to the Company's
10 corrected ECR factor in this case.

11

		<u>Allocated ECR</u>	<u>Revenues</u>	
		<u>Revenue Req.</u>	<u>Subject To</u>	<u>ECR Factor</u>
			<u>ECR</u>	
Total Environmental Revenue Requirements	\$ 167,996,245			
Residential Allocation	40.79%	\$ 68,528,707	\$ 232,347,387	29.49%
Non-Residential Allocation*	59.21%	\$ 99,467,538	\$ 200,760,652	49.55%

* Applied to Non-Fuel Base Revenues

12

13

14 **Q. What is the impact of the KIUC proposal on individual rate classes?**

15 A. First, as I indicated there is no impact on the residential class. For the non-
16 residential classes, the impacts tend to vary depending on the load factor of the rate

1 class. Baron Exhibit __ (SJB-4) shows the impact on each of the non-residential rate
2 classes of the KIUC proposed ECR allocation versus the Company's total revenue
3 allocation.

4

5 **Q. Are you also recommending that your proposed two-step methodology apply to**
6 **the recovery of ECR project costs that are currently being recovered through**
7 **the ECR surcharge?**

8 A. Yes. For the same reasons that support a change to a two-step, residential and non-
9 residential ECR cost allocation for the 2011 Plan projects, I also recommend that all
10 current ECR costs recovered through the ECR surcharge be allocated in the same
11 manner. Each month, current ECR revenue requirements that are recovered from
12 retail customers through Tariff E.S. should be following the two-step methodology.
13 First, the ECR revenue requirement subject to the ECR surcharge rider (the portion
14 of these costs not currently recovered in base rates) would be allocated to residential
15 and non-residential rate classes on the basis of total revenues. This would produce
16 the identical ECR surcharge factor for residential customers as is currently being
17 used by KPCo. For the non-residential rate classes, the allocated revenue
18 requirement would then be used to compute a non-residential ECR factor that would
19 be applied to the non-fuel base revenues of the non-residential rate classes. Finally,
20 in any subsequent roll-in of ECR costs to base rates, the roll-in should reflect
21 separate residential and non-residential adjustments to base rates following the
22 two-step allocation methodology recommended by KIUC. Residential base rates

1 would be adjusted using the current methodology; non-residential rates would be
2 adjusted on a non-fuel base rate basis. As is the case with the ECR factor itself,
3 there would be no change in the base rate costs assigned to the residential class,
4 compared to the current methodology used by KPCo.

5

6 **Q. Has the two-step ECR rate recovery mechanism that you are recommending in**
7 **this case been previously approved by the Commission for other Kentucky**
8 **electric utilities?**

9 A. Yes. In Case Nos. 2011-00161 and 2011-00162, the Commission approved a
10 Settlement in LG&E's and KU's 2011 ECR cases that incorporated the two-step
11 ECR cost recovery framework that KIUC is recommending in this case. While there
12 are some small differences between the ECR cost recovery approach applicable to
13 KPCo and to LG&E/KU, the basic two-step framework wherein costs are first
14 allocated among residential and non-residential rate classes using a total revenue
15 basis and, then allocated among the non-residential rate classes on the basis on non-
16 fuel revenues is the same.³

17

18 **Q. Are there important economic development issues impacted by the Company's**
19 **proposed ECR rate recovery method?**

³ In the LG&E/KU cases, the Commission approved Settlement also required that the rolled-in portion of ECR costs that is recovered in base rates also be reallocated among the non-residential rate schedules following the same two-step methodology. While a base rate reallocation is appropriate in principle, KIUC is not recommending such a methodology in the case of KPCo because the base rate portion of ECR costs is not tracked by KPCo.

1 A. Yes. The Companies are requesting ECR cost recovery at unprecedented levels in
2 this case. Based on the revised projected impact of all of the projects at issue in this
3 proceeding, KPCo retail electric bills will increase by approximately 30% by the
4 completion of the Big Sandy 2 Environmental additions in 2016. This 30% increase
5 only reflects incremental ECR charges and does not include any other increases for
6 fuel costs, generation resources, distribution cost increases and transmission costs.
7 The Company's proposed ECR surcharge recovery mechanism that recovers this
8 very large ECR revenue requirement, in part, based on a customer's fuel charges is
9 particularly detrimental to high load factor manufacturing customer. The
10 Company's methodology contributes to a reduction in the cost-effectiveness of high
11 load factor Kentucky manufacturing facilities, relative to national and international
12 competitors. These manufacturing facilities provide substantial employment in
13 Kentucky. Higher electric rates impact the relative competitiveness of these
14 customers – if Kentucky manufacturing costs rise relative to manufacturing costs in
15 other states or internationally, Kentucky manufacturing is placed at a competitive
16 disadvantage. Many of Kentucky's largest employers are energy-intensive and
17 located in Kentucky in large part because of low electric rates. My proposal will help
18 improve the competitiveness of the Kentucky economy.

19

20 **Q. Does that complete your testimony?**

21 A. Yes.

AFFIDAVIT

STATE OF GEORGIA)

COUNTY OF FULTON)

STEPHEN J. BARON, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

Stephen J. Baron

Stephen J. Baron

Sworn to and subscribed before me on this
29th day of February 2012.

Randy A. Futral

Notary Public



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EXHIBITS

OF

STEPHEN J. BARON

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

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

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CASE NO. 2011-00401

EXHIBIT__(SJB-1)

OF

STEPHEN J. BARON

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Professional Qualifications

Of

Stephen J. Baron

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

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

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

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

J. KENNEDY AND ASSOCIATES, INC.

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

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

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

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

J. KENNEDY AND ASSOCIATES, INC.

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

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

**Expert Testimony Appearances
of
Stephen J. Baron
As of January 2012**

Date	Case	Jurisdct.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	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 Clara	Chamber of Commerce	Santa Clara Municipal	Cost-of-service, rate design.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
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Date	Case	Jurisdiction	Party	Utility	Subject
6/85	84-768- E-42T	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.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
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Stephen J. Baron
As of January 2012**

Date	Case	Jurisdct.	Party	Utility	Subject
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel filing and examine the reasonableness of MP's claims.
5/87	86-524-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 Intervenor	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-860025	PA	Pennsylvania Industrial Intervenor		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/	MN	Taconite	Minnesota Power	Excess capacity, power and

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Date	Case	Jurisdct.	Party	Utility	Subject
	GR-87-223		Intervenors	& Light Co.	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.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.

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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.
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.

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Date	Case	Jurisdct.	Party	Utility	Subject
8/91	E-7, SUB SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand- side management
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was prefiled on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co. and proposed merger with Southern Bell Telephone Co.	Analysis of South Central Bell's restructuring and
12/91	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.
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.

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Date	Case	Jurisdct.	Party	Utility	Subject
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.
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.

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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.
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.

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Date	Case	Jurisdct.	Party	Utility	Subject
8/95	ER95-112 -000	FERC	Louisiana Public Service Commission	Energy 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	Energy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.
6/97	Civil Action No. 94-11474	US Bank- ruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.
6/97	R-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

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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 Millennium Inorganic Chemicals Inc.	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross- 40-000 Answering Testimony)	EC-98-	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.

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Date	Case	Jurisdct.	Party	Utility	Subject
5/99 (Response Testimony)	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Performance based regulation, settlement proposal issues, cross-subsidies between electric gas services.
6/99	98-0452	WV	West Virginia Energy Users Group	Appalachian Power, Monongahela Power, & Potomac Edison Companies	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Company	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	Adversary Proceeding No. 98-1065	U.S. Bankruptcy Court	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Motion to dissolve preliminary injunction.
7/99	99-03-06	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
12/99	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Analyisi 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	Jurisd.	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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Date	Case	Jurisdct.	Party	Utility	Subject
08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff 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 Marketing, 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 Rev Incr, Off-System Sales margin rate treatment
09/06	E-01345A-05-0816	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation, cost of service, rate design.
11/06	Doc. No. 97-01-15RE02	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. 06-0960-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. AZ E-01933A-05-0650		Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 WV E-GI		West Virginia Energy Users Group	Appalachian Power Co. American Electric Power Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. OH 08-124-EL-ATA		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. UT 07-035-93		Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. WI 6680-JR-116		Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Doc. No. WI 6690-JR-119		Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Case No. OH 08-936-EL-SSO		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. OH 08-935-EL-SSO		Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
09/08	Case No. OH 08-917-EL-SSO 08-918-EL-SSO		Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Provider of Last Resort Rate Plan
10/08	2008-00251 KY 2008-00252		Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/08	08-1511 WV E-GI		West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/08	M-2008- PA 2036188, M- 2008-2036197		Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Transmission Service Charge
01/09	ER08-1056 FERC		Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations
01/09	E-01345A- AZ 08-0172		Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
02/09	2008-00409 KY		Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Stephen J. Baron
As of January 2012**

Date	Case	Jurisdiction	Party	Utility	Subject
5/09	PUE-2009-00018	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Transmission Cost Recovery Rider
5/09	09-0177-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost "ENEC" Analysis
6/09	PUE-2009-00016	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider
6/09	PUE-2009-00038	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider
7/09	080677-EI	FL	South Florida Hospital and Healthcare Assoc	Florida Power & Light Company	Retail cost of service, rate design
8/09	U-20925 (RRF 2004)	LA	Louisiana Public Service Commission Staff	Entergy Louisiana LLC	Interruptible Rate Refund Settlement
9/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Energy Cost Rate issues
9/09	Doc. No. 05-UR-104	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff issues, Interruptible rates.
9/09	Doc. No. 6680-UR-117	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co	Cost of Service, rate design, tariff issues, Interruptible rates
10/09	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Allocation of Rev Increase
10/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Cost of Service, Rate Design
11/09	PUE-2009-00019	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Cost of Service, Rate Design
11/09	09-1485 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
12/09	Case No. 09-906-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
12/09	ER09-1224	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
12/09	Case No. PUE-2009-00030	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Increase, Rate Design

**Expert Testimony Appearances
of
Stephen J. Baron
As of January 2012**

Date	Case	Jurisdct.	Party	Utility	Subject
2/10	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Rate Design
3/10	Case No. 09-1352-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
3/10	E015/ GR-09-1151	MN	Large Power Intervenors	Minnesota Power Co.	Cost of Service, rate design
4/10	EL09-61	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to off-system sales
4/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses.
4/10	2009-00548 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
7/10	R-2010-2161575	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Company	Cost of Service, Rate Design
09/10	2010-00167	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design
09/10	10M-245E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Economic Impact of Clean Air Act
11/10	10-0699-E-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Cost of Service, Rate Design, Transmission Rider
11/10	Doc. No. 4220-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Northern States Power Co Wisconsin	Cost of Service, rate design
12/10	10A-554EG	CO	CF&I Steel Company Climax Molybdenum	Public Service Company	Demand Side Management Issues
12/10	10-2586-EL-SSO	OH	Ohio Energy Group	Duke Energy Ohio	Provider of Last Resort Rate Plan Electric Security Plan
3/11	20000-384-ER-10	WY	Wyoming Industrial Energy Consumers	Rocky Mountain Power Wyoming	Electric Cost of Service, Revenue Apportionment, Rate Design
5/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Cost of Service, Rate Design
6/11	Docket No. 10-035-124	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
6/11	PUE-2011-00045	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider

J. KENNEDY AND ASSOCIATES, INC.

Expert Testimony Appearances
of
Stephen J. Baron
As of January 2012

Date	Case	Jurisdiction	Party	Utility	Subject
07/11	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Entergy System Agreement - Successor Agreement, Revisions, RTO Day 2 Market Issues
07/11	Case Nos. 11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Electric Security Rate Plan, Provider of Last Resort Issues
08/11	PUE-2011-00034	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Rate Recovery of RPS Costs
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility	Louisville Gas & Electric Co. Kentucky Utilities Company	Environmental Cost Recovery
09/11	Case Nos. 11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Electric Security Rate Plan, Stipulation Support Testimony
10/11	11-0452 E-P-T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Energy Efficiency/Demand Reduction Cost Recovery
11/11	11-1272 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis
11/11	E-01345A-11-0224	AZ	Kroger Company	Arizona Public Service Co.	Decoupling
12/11	E-01345A-11-0224	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design

J. KENNEDY AND ASSOCIATES, INC.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF ITS 2011 ENVIRONMENTAL)
COMPIANCE PLAN, FOR APPROVAL OF ITS)
AMENDED ENVIRONMENTAL COST RECOVERY)
SURCHARGE TARIFF, AND FOR THE GRANT OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION AND)
ACQUISITION OF RELATED FACILITIES)**

CASE NO. 2011-00401

EXHIBIT __ (SJB-2)

OF

STEPHEN J. BARON

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Power Company
Revenue by Retail Rate Schedule
Total, 12 Months Ending August 31, 2011

	Total Revenues ¹ (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (d)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor ³ (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue ² (i)	Capacity Charge Revenue (j)	Other Revenue	
												Residential HEAP (k)	Net Merger Savings Credit (k)
Residential Service (RS)	231,754,516	224,845,662	0.0284	69,852,769	(1,171,770)	6,443,289	0.029226	230,950,528	(1,004,834)	3,402,194	2,385,802	256,573	(254)
Small General Service (SGS)	17,773,329	17,288,139	0.0284	4,059,977	(72,765)	484,726	0.029226	17,449,215	(65,407)	21,133	138,663	1	(27)
Medium General Service (MGS)	57,619,719	56,090,928	0.0284	15,502,425	(294,897)	1,573,497	0.029226	56,317,256	(279,610)	82,655	529,501	-	297
Large General Service (LGS)	68,910,438	67,098,623	0.0284	21,584,752	(408,447)	1,885,043	0.029226	67,206,523	(401,749)	92,464	737,218	-	(249)
Quantity Power (QP)	56,386,222	54,941,622	0.0284	24,003,614	(456,567)	1,534,044	0.029226	54,924,758	(452,719)	28,687	819,842	-	-
Commerical & Industrial Power - Time of Day (CIPTOD)	132,999,426	130,668,331	0.0284	71,091,013	(1,779,087)	3,701,135	0.029226	130,052,142	(1,260,605)	-	1,669,652	-	-
Municipal Waterworks (MW)	423,395	412,023	0.0284	139,549	(2,688)	11,692	0.029226	422,895	(2,376)	727	4,767	-	(22)
Outdoor Lighting (OL)	7,705,033	7,506,765	0.0284	1,228,121	(29,446)	207,126	0.029226	7,567,763	(21,127)	-	41,688	-	38
Street Lighting (SL)	1,312,611	1,279,940	0.0284	238,344	(5,686)	34,805	0.029226	1,277,803	(4,588)	-	8,141	-	-
Total	574,884,690	560,132,033	0.02840	207,700,563	(4,221,352)	15,875,355	0.029226	566,168,883	(3,493,015)	3,627,861	6,335,273	256,573	(218)

¹ Total Revenues (a) are being reported on a billed basis only

² DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

³ Based on 11 month average of October 2010 through August 2011 (September 2010 values not available)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF ITS 2011 ENVIRONMENTAL)
COMPIANCE PLAN, FOR APPROVAL OF ITS)
AMENDED ENVIRONMENTAL COST RECOVERY)
SURCHARGE TARIFF, AND FOR THE GRANT OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION AND)
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CASE NO. 2011-00401

EXHIBIT__ (SJB-3)

OF

STEPHEN J. BARON

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

**Kentucky Power Company
KIUC Proposed ECR Revenue Requirement Allocation**

2011 Total	Current Methodology			Less Fuel in Base Rates	Less Fuel Adj.	Less Sys. Sales Revenue	Less DSM Revenue	Less Capacity Chg. Revenue	Less Other Revenue	Non-Fuel Base Revenue
	Revenue Subject to ECR	Adjusted Revenue Subject to ECR	ECR Cost Allocation							
Residential Service (RS)	230,950,528	232,347,387	40.79%							
Small General Service (SGS)	17,449,215	17,554,753	3.08%	(4,059,977)	72,765	65,407	(21,133)	(138,663)	26	13,473,178
Medium General Service (MGS)	56,317,256	56,657,880	9.95%	(15,502,425)	294,897	279,610	(82,655)	(529,501)	(297)	41,117,509
Large General Service (LGS)	67,206,523	67,613,009	11.87%	(21,584,752)	408,447	401,749	(92,464)	(737,218)	249	46,009,020
Quantity Power (QP)	54,924,758	55,256,960	9.70%	(24,003,614)	456,567	452,719	(28,687)	(819,842)	-	31,314,102
Commerical & Industrial Power - Time of Day (CIPTOD)	130,052,142	130,838,737	22.97%	(71,091,013)	1,779,087	1,260,605	-	(1,669,652)	-	61,117,765
Municipal Waterworks (MW)	422,895	425,453	0.07%	(139,549)	2,688	2,376	(727)	(4,767)	22	285,496
Outdoor Lighting (OL)	7,567,763	7,613,535	1.34%	(1,228,121)	29,446	21,127	-	(41,688)	(38)	6,394,261
Street Lighting (SL)	1,277,803	1,285,532	0.23%	(238,344)	5,686	4,588	-	(8,141)	-	1,049,320
Non-Residential Total	335,218,355	337,245,858	59.21%	(137,847,794)	3,049,582	2,488,181	(225,666)	(3,949,471)	(37)	200,760,652
Total	566,168,883	569,593,245								

* Uniform adjustment to reconcile revenues to KPCo Exhibit LPM-5

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF ITS 2011 ENVIRONMENTAL)
COMPIANCE PLAN, FOR APPROVAL OF ITS)
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SURCHARGE TARIFF, AND FOR THE GRANT OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION AND)
ACQUISITION OF RELATED FACILITIES)**

CASE NO. 2011-00401

EXHIBIT__(SJB-4)

OF

STEPHEN J. BARON

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Power Company
KIUC Proposed Non-Residential Rate Class Allocation

	Non-Fuel	KIUC	Allocation of	KIUC	KPCo	KIUC vs. KPCo Method	
	Base Revenue	Proposed Allocation	Proposed ECR Revenue Req.	Percent Increase	Proposed Cost Allocation	\$ Difference [col (2) less col (3)]	Percent of Revenues
	(1)	(2)	(3)		(4)	(4)	(5)
Small General Service (SGS)	13,473,178	6.71%	6,675,331	38.03%	5,177,612	1,497,720	8.6%
Medium General Service (MGS)	41,117,509	20.48%	20,371,808	35.96%	16,710,716	3,661,092	6.5%
Large General Service (LGS)	46,009,020	22.92%	22,795,323	33.71%	19,941,830	2,853,493	4.2%
Quantity Power (QP)	31,314,102	15.60%	15,514,677	28.08%	16,297,528	(782,851)	-1.4%
Commerical & Industrial Power - Time of Day (CIPTOD)	61,117,765	30.44%	30,281,001	23.14%	38,589,672	(8,308,671)	-6.4%
Municipal Waterworks (MW)	285,496	0.14%	141,450	33.25%	125,483	15,967	3.8%
Outdoor Lighting (OL)	6,394,261	3.19%	3,168,058	41.61%	2,245,542	922,516	12.2%
Street Lighting (SL)	1,049,320	0.52%	519,889	40.44%	379,156	140,734	11.0%
Non-Residential Total	200,760,652	100%	99,467,538	29.49%	99,467,538	-	-