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**Via Overnight Mail**

March 22, 2007

Beth A. O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

**Re: Case No. 2006-00509 and 2006-00510**

Dear Ms. O'Donnell:

Please find enclosed the original and twelve (12) copies of the Direct Testimony and Exhibits of Stephen J. Baron filed on behalf of the Kentucky Industrial Utility Customers, Inc. in the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

**BOEHM, KURTZ & LOWRY**

MLKkew  
Attachment  
cc:

Certificate of Service

**CERTIFICATE OF SERVICE**

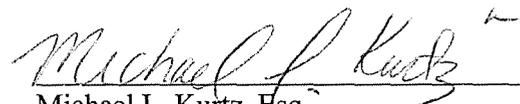
I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by first-class postage prepaid mail, to all parties on the 22<sup>nd</sup> day of March, 2007.

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\_\_\_\_\_  
Michael L. Kurtz, Esq.  
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**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

**AN EXAMINATION OF THE APPLICATION )  
THE FUEL ADJUSTMENT CLAUSE OF )  
LOUISVILLE GAS AND ELECTRIC COMPANY ) CASE NO:  
FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006 ) 2006-00510**

**IN THE MATTER OF:**

**AN EXAMINATION OF THE APPLICATION )  
THE FUEL ADJUSTMENT CLAUSE OF )  
KENTUCKY UTILITIES COMPANY ) CASE NO:  
FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006 ) 2006-00509**

**DIRECT TESTIMONY  
AND EXHIBITS  
OF  
STEPHEN J. BARON**

**ON BEHALF OF  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.  
J. KENNEDY AND ASSOCIATES, INC.  
MARCH 2007**

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

**AN EXAMINATION OF THE APPLICATION )**  
**THE FUEL ADJUSTMENT CLAUSE OF )**  
**LOUISVILLE GAS AND ELECTRIC COMPANY )** **CASE NO:**  
**FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006 )** **2006-00510**

**IN THE MATTER OF:**

**AN EXAMINATION OF THE APPLICATION )**  
**THE FUEL ADJUSTMENT CLAUSE OF )**  
**KENTUCKY UTILITIES COMPANY )** **CASE NO:**  
**FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006 )** **2006-00509**  
**JULY 31, 2004 )**

**DIRECT TESTIMONY OF STEPHEN J. BARON**

1  
2  
3  
4  
5  
6  
7

**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.**

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

2

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

5

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

8

9       A.    Kennedy and Associates provides consulting services in the electric and gas utility  
10            industries. Our clients include state agencies and industrial electricity consumers.  
11            The firm provides expertise in system planning, load forecasting, financial analysis,  
12            cost-of-service, and rate design.

13

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

15

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

20

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

3  
4 I have presented testimony as an expert witness in Arizona, Arkansas, Colorado,  
5 Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan,  
6 Minnesota, Maryland, Missouri, New Jersey, New Mexico, New York, North  
7 Carolina, Ohio, Pennsylvania, Texas, Virginia, West Virginia, before the Federal  
8 Energy Regulatory Commission and in United States Bankruptcy Court.

9  
10 A complete copy of my resume and my testimony appearances is contained in Baron  
11 Exhibit \_\_ (SJB-1).

12

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

14

15 A. I am testifying on behalf of the Kentucky Industrial Utility Customers, Inc.  
16 (“KIUC”), a group of large industrial consumers of electricity on the KU and LG&E  
17 systems.

18

19 **Q. What is the purpose of your testimony?**

20

1       A.     I am addressing the reasonableness of the Companies' fuel expenses that they  
2             recovered from customers during the review period. Specifically, I will discuss  
3             certain fuel expenses included by the Companies in their respective fuel adjustment  
4             clauses during the period April 1, 2005 through August 31, 2006 associated with the  
5             Companies participation in MISO "Day 2" operations.<sup>1</sup>

6  
7             During this 17 month period, the Companies were required to dispatch certain of  
8             their high cost generating units at the direction of MISO, when these units would not  
9             have otherwise been dispatched based on "offered bids" by the Companies. Under  
10            MISO's procedures, the Companies received \$63 million of compensation in the  
11            form of Revenue Sufficiency Guarantee Make Whole Payments ("RSG MWP" or  
12            simply "MWP").

13  
14            As I will discuss, though the Companies charged their customers for the higher fuel  
15            cost for this generation, via the standard after-the-fact billing ("AFB") process,  
16            neither LG&E nor KU passed along any of the \$63 million in make whole revenues,  
17            which it received from MISO as compensation for running the units, to native load  
18            customers.

19  

---

<sup>1</sup> "Day-2 operations" relies on the use of locational marginal pricing to determine the prices charged to load, the prices paid to generators and the cost of congestion.

1 In hours when the Companies were receiving make whole payments from MISO  
2 that were associated with native load, the Companies incurred a total of \$6,048,238  
3 in excessive fuel costs, which they charged to customers in their respective FACs  
4 (\$582,392 for LG&E and \$5,465,846 for KU).

5  
6 My recommendation is to disallow the excess fuel costs charged by each Company,  
7 up to the amount of the RSG make whole payments received hourly by each  
8 Company. For KU, the disallowance would be \$5,075,553 and for LG&E the  
9 disallowance would be \$508,936. In addition, the Commission should apply  
10 interest to the disallowance.

11  
12 **Q. Would you please explain the basis for the improper fuel expenses in this case?**

13  
14 A. During the period in which the Companies were operating in the MISO Day-2  
15 market, the Companies submitted “offers” for each of their generating units that  
16 could be dispatched in the day-ahead and real time MISO markets. MISO then  
17 developed a least cost, security constrained economic dispatch of all MISO  
18 resources, based on scheduled and real-time loads. This process determined the  
19 resources that would operate in the day-ahead and real time markets, as well as  
20 locational marginal prices (“LMP”) at each price node in MISO. In some cases, the

1 Companies were issued dispatch instructions for generating resources whose offer  
2 price (bid) exceeded the LMP at the generator's node. In this case, the Companies  
3 would operate such a unit despite insufficient revenue payments, which are based on  
4 LMP (market energy price).

5  
6 **Q. Were the Companies required to dispatch these generating units, even though**  
7 **they would not recover their offering costs?**

8  
9 A. Yes. Nonetheless, the Companies were required in these cases to operate their units  
10 at a loss, compared to the prices that they had offered the units to MISO.<sup>2</sup>

11  
12 **Q. Why did MISO require the operation of these units if it would result in**  
13 **insufficient revenues?**

14  
15 A. MISO conducted a security constrained economic dispatch and a Reliability  
16 Assessment Commitment ("RAC") process to insure that all loads are met with  
17 sufficient resources in a reliable manner.

18  

---

<sup>2</sup> However, the "offering costs" were the prices offered for the generation, not necessarily the actual cost of operating the units.

1 In some cases, this resulted in dispatch instructions to the Companies (and other  
2 MISO participants) to operate units whose offer prices exceeded the LMP  
3 determined revenues that would be paid for the unit's output.

4  
5 **Q. Did MISO provide an alternative form of compensation (beyond LMP based**  
6 **revenues) to make up for the "loss" incurred by the Companies in this case?**

7  
8 A. Yes. Under the MISO tariff that governed these transactions during this period, the  
9 Companies received compensation in the form of Revenue Sufficiency Guarantee  
10 Make Whole Payments ("RSG MWP"), which were based on the difference  
11 between the Companies offering prices and the LMP market price that the generator  
12 would otherwise receive, pursuant to the MISO tariff.

13  
14 **Q. During the review period in this case, how much compensation did the**  
15 **Companies receive from MISO for required operation of these generating**  
16 **units?**

17  
18 A. As I will discuss later in more detail, the Companies received approximately \$63  
19 million of RSG make whole payments from MISO.

20

1       **Q.   How were the Companies' native load customers affected by this MISO**  
2       **required operation?**

3  
4       A.   During this period (April 2005 through August 2006), the Companies continued to  
5       charge retail customers on the same basis as they had previously; that is, using  
6       actual costs assigned to serve native load based on the AFB process. The AFB  
7       process stacks generation resources from lowest to highest and assigns the lowest  
8       cost generation to native load customers. The off-system market was allocated the  
9       highest cost resources. None of the MISO Day-2 costs and revenues was recognized  
10      in the calculation of the Companies fuel adjustment charges.

11  
12      **Q.   Were native load customers protected from the uneconomic dispatch of some**  
13      **of the Companies' generating units as a result of a dispatch instruction from**  
14      **MISO?**

15  
16      A.   No. In some cases, the Companies operated their own generating units when market  
17      priced energy would have been a lower cost. In this case, however, the Companies  
18      received compensation provided by MISO based on the difference between the offer  
19      price of the generating unit and the market price (defined as LMP). Unfortunately  
20      for native load customers, if the higher cost (compared to available market prices)

1 generating unit was included in the after-the-fact billing stack assigned to native  
2 load, the full cost was charged to customers in the Companies fuel adjustment  
3 charges.

4  
5 **Q. Did the Companies credit any of the \$63 million that they received from MISO**  
6 **to their respective fuel adjustment charges to offset the higher cost of these**  
7 **MISO ordered generation dispatches?**

8  
9 A. No. In response to KIUC Question number 1, both Companies state as follows:

10 **The fuel cost associated with the resources stacked to native load was**  
11 **recovered through the FAC from retail customers. No MISO Day 2**  
12 **charges or revenues were included in the calculation of the FAC except**  
13 **for the Locational Marginal Cost (“LMP”) for purchases from MISO**  
14 **included in AFB. (Response of LG&E and KU to KIUC First Set of Data**  
15 **Requests, Question No. 1, page 2 of 2).**

16  
17 None of the \$63 million in make whole revenues was credited to the FACs of the  
18 Companies.

19  
20 **Q. In their responses to the KIUC data request, the Companies state that they**  
21 **charged retail customers the full cost of fuel, if a resource was included in the**  
22 **AFB stack. Does this mean that the Companies would have included the cost**  
23 **for generating units whose costs were greater than market prices, in the FACs**  
24 **charged to customers during this period?**

1

2       A.     Yes.    These costs are included in the FAC, without any offset to reflect  
3             compensating revenues that the Companies received from MISO. To help illustrate  
4             this, I have attached as Baron Exhibit \_\_ (SJB-2), pages 1 through 6 of KU's FAC  
5             Form A filing for the expense month of August 2006. On page 2 of 6 of the exhibit,  
6             a breakdown of total August 2006 fuel costs of \$64,091,466 is shown. As can be  
7             seen, the Company included \$14,909,201 in its fuel expenses for "Gas Burned"  
8             during the month. Included in this amount are the fuel expenses for gas fired  
9             generating units for which KU received offsetting make whole payments from  
10            MISO during this month. It is worth noting that KU's August 2006 fuel expense  
11            was 3.1 cents per kWh and the FAC was 1.3 cents per kWh. These are the highest  
12            amounts for fuel cost per kWh during the entire review period.

13

14       **Q.     How do you know that the KU included the cost of generating units in its**  
15       **August 2006 FAC that exceed the cost of market purchases?**

16

17       A.     As part of its response to KIUC question number 2, the Companies attached a  
18             summary schedule (for both KU and LG&E) that computes the amount of make  
19             whole revenues each month associated with generating units whose costs exceed  
20             market prices. Baron Exhibit \_\_ (SJB-3) shows two tables, provided by the

1 Companies as an attachment to their responses to KIUC data request number 2,  
2 which shows the amounts of make whole payments received by KU each month, for  
3 generating units whose cost exceeded market prices. As can be seen, in the month  
4 of August 2006, KU received \$623,302 in make whole payments from MISO  
5 associated with generating units assigned to native load whose fuel cost exceeded  
6 market prices. Since KU only included make whole payments in this schedule when  
7 a generating unit was included in the AFB stack for native load customers (and thus  
8 charged to customers in the FAC), the \$623,302 represents the amount of fuel cost  
9 included in KU's August 2006 FAC expense month that exceeded market energy  
10 prices. This amount represents an improper fuel expense. Similar improper fuel  
11 expenses occurred in other months for both KU and LG&E, as shown in  
12 Exhibit \_\_ (SJB-3).

13  
14 **Q. How frequently did this problem occur during the period April 2005 through**  
15 **August 2006?**

16  
17 A. Table 1 below summarizes the number of days and hours each month in which the  
18 Companies operated a generating unit with excessive costs (compared to the market  
19 price) and included this cost in their respective FACs. As can be seen, during the

1 Month of August 2006, KU had “excess cost” generating units assigned to native  
2 load customers on 26 days during the month.  
3

	<u>Month</u>	<u>KU</u>		<u>LG&amp;E</u>		
		<u># Days</u>	<u># Hours</u>	<u># Days</u>	<u># Hours</u>	
2005	April	11	52	3	6	
	May	10	66	-	-	
	June	26	176	7	27	
	July	19	111	18	96	
	August	19	103	11	59	
	September	17	104	6	32	
	October	8	52	1	3	
	November	4	13	-	-	
	December	16	52	-	-	
	2006	January	2	5	-	-
		February	14	48	3	5
		March	14	79	2	5
April		9	33	2	7	
May		7	25	-	-	
June		13	50	4	8	
July		23	114	8	25	
August		26	163	8	37	
Total		238	1,246	73	310	

4  
5  
6 **Q. Have you developed an analysis of the excessive fuel expenses due to MISO**  
7 **ordered dispatch instructions that were included in the Companies’ FAC**  
8 **expense months during the period April 2005 through August 2006?**  
9

1       A.     Yes.  Baron Exhibit\_\_(SJB-4) presents a summary of the make whole revenues  
2           received by the Companies and the excess fuel cost associated with these MISO  
3           RSG make whole payments.  The first set of data shows the total amount of make  
4           whole payments received by the Companies during the period.  As discussed in the  
5           Companies' response to KIUC data requests numbers 1 and 2, there were two  
6           categories of RSG make whole payment revenues received by LG&E and KU  
7           during this period.  The first category is "day ahead" RSG make whole payments  
8           and the second category is "real time" RSG make whole payments.  The total  
9           amount of make whole payments received by the Companies during this period was  
10          \$63,265,105.  Of this amount, \$29,603,818 was associated with native load  
11          (\$3,638,123 for LG&E and \$25,965,695 for KU).  The remaining amount of  
12          \$33,661,287 is assigned to off-system sales.

13  
14          In hours when the Companies were receiving make whole compensation payments  
15          from MISO associated with native load, the Companies had a total of \$6,048,238 in  
16          excessive fuel costs, which they included in their respective FACs (\$582,392 for  
17          LG&E and \$5,465,846 for KU).  These results are shown under the column "Excess  
18          Fuel Cost."

19

1       **Q.    Should the excess fuel costs being charged to native load customers be**  
2       **disallowed, considering the significant level of RSG Make Whole Payments**  
3       **that were received by the Companies?**

4  
5       A.    Yes.  Though the Companies were required to dispatch their units in response to  
6       MISO dispatch instructions, this resulted in excessive fuel costs that were paid by  
7       native load customers.  The Commission’s FAC rules require the disallowance of  
8       improper fuel expenses.  These fuel expenses represent improper costs because the  
9       cost of this generation exceeded market energy prices and the Companies were  
10      reimbursed for these generating units by MISO in the form of make whole  
11      payments.  The level of improper fuel expenses should be the amount of the excess  
12      fuel cost that was charged to native load customers, up to the amount of RSG make  
13      whole payments received by the Companies.  As shown on Exhibit \_\_ (SJB-4) in the  
14      column labeled “RSG MWP Credited”, the payments received from MISO each  
15      hour during which excess fuel costs were charged to native load customers  
16      amounted to \$5,584,489.  This almost covered the excess fuel costs charged to  
17      ratepayers of \$6,048,238.

18  
19      **Q.    Would you summarize your recommended disallowance for each Company?**  
20

1 A. My recommendation is to disallow the excess fuel cost charged by each Company,  
2 up to the amount of the RSG make whole payments received by each Company.  
3 For KU, the disallowance would be \$5,075,553 and for LG&E the disallowance  
4 would be \$508,936. In addition, the Commission should apply interest to the  
5 disallowance. The appropriate interest rate should either be each Company's  
6 respective weighted cost of capital or, at a minimum, the short term cost of debt  
7 capital for each Company.

8  
9 **Q. Do you believe that your recommended disallowances are consistent with the**  
10 **Commission's FAC rules?**

11  
12 A. Yes. By the Companies own admission in its data responses, generation costs were  
13 included in the FAC charges of each Company that were in excess of market energy  
14 prices. On this basis, these costs were improper fuel expenses and should be  
15 disallowed. Because the Companies were required to operate these excess cost  
16 generating units pursuant to MISO dispatch instructions, they received revenue  
17 sufficiency guarantee make whole payments from MISO to cover these excess costs.  
18 The improper level of fuel expenses that should be disallowed is the amount of the  
19 actual excess cost charged to native load customers for which the Companies were  
20 reimbursed by MISO.

1       **Q.    In the Companies response to KIUC question number 2 (for each Company),**  
2       **they calculated a net amount of RSG make whole payments that reflected a**  
3       **portion of the “distribution costs” that they were charged by MISO. Why**  
4       **haven’t you included a portion of the distribution costs paid by the Companies**  
5       **in your disallowance calculation?**

6  
7       A.    The Commission’s rules require the disallowance of improper fuel expenses, which  
8       is the basis for my recommendation (though I have reduced my recommended level  
9       of disallowance by capping the amount at the level of the make whole payments  
10      received by the Companies on an hour by hour basis). The “distribution costs” paid  
11      by the Companies are not includable in the FAC and thus should not be reflected in  
12      the disallowance analysis.

13  
14      In addition, the Companies received a total of \$29.6 million in make whole  
15      payments associated with native load, while paying a total of \$13.8 million in native  
16      load related distribution costs. The net amount of this is \$15.8 million, which far  
17      exceeds the disallowance that I am recommending in this case.

18  
19      **Q.    Does that complete your testimony?**

20      A.    Yes.

**COMMONWEALTH OF KENTUCKY**

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**EXHIBITS  
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STEPHEN J. BARON**

**ON BEHALF OF  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

**COMMONWEALTH OF KENTUCKY**

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**EXHIBIT\_\_ (SJB-1)  
OF  
STEPHEN J. BARON**

**ON BEHALF OF  
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. 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, West Virginia, as well as before the Federal Energy Regulatory Commission ("FERC") and the United States Bankruptcy Court. A list of his specific regulatory appearances follows.

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of March 2007**

<b>Date</b>	<b>Case</b>	<b>Jurisdict.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
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.

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6/85	84-768-E-42T	Clara WV	West Virginia Industrial Intervenor	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 Intervenor	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-GI	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/86	38063	IN	Industrial Energy Consumers	Indiana & Michigan Power Co.	Interruptible rates.

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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.

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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.

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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.

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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	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.

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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 <sub>2</sub> 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.

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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 Intervenor	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 Intervenor	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.

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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.

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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

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			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- 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.
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.	Ananlysi 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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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 & ER-2854-000 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 Intervenor	Duquesne Light Company	Provider of last resort issues.
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybdenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.

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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
04/04	2003-00433 2003-00434	PA	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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**J. KENNEDY AND ASSOCIATES, INC.**

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of March 2007**

<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
07/06	Case No. KY 2006-00130 Case No. 2006-00129		Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/06	Case No. VA PUE-2006-00065		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. CT 97-01-15RE02		Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. WV 06-0960-E-42T		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

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

<b>AN EXAMINATION OF THE APPLICATION</b>	)	
<b>THE FUEL ADJUSTMENT CLAUSE OF</b>	)	
<b>LOUISVILLE GAS AND ELECTRIC COMPANY</b>	)	<b>CASE NO:</b>
<b>FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006</b>	)	<b>2006-00510</b>

**IN THE MATTER OF:**

<b>AN EXAMINATION OF THE APPLICATION</b>	)	
<b>THE FUEL ADJUSTMENT CLAUSE OF</b>	)	
<b>KENTUCKY UTILITIES COMPANY</b>	)	<b>CASE NO:</b>
<b>FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006</b>	)	<b>2006-00509</b>

<p><b>EXHIBIT __ (SJB-2)</b></p> <p><b>OF</b></p> <p><b>STEPHEN J. BARON</b></p>
--

**ON BEHALF OF**  
**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : August 2006

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$64,091,466}{2,061,609,522 \text{ KWH}} = (+) \$ 0.03109 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.01299 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: October 3, 2006

Submitted by



Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : August 2006

<b>(A) <u>Company Generation</u></b>	
Coal Burned	(+) \$ 36,424,704
Oil Burned	(+) 336,191
Gas Burned	(+) 14,909,201
Fuel (assigned cost during Forced Outage)	(+) 990,152
Fuel (substitute cost for Forced Outage)	(-) 607,005
<b>SUB-TOTAL</b>	<b>\$ 52,053,243</b>
<b>(B) <u>Purchases</u></b>	
Net energy cost - economy purchases	(+) \$ 12,422,191
Identifiable fuel cost - other purchases	(+) -
Identifiable fuel cost (substitute for Forced Outage)	(-) 2,256,211
Less Purchases above Highest Cost Units	(-) 110,885
Internal Economy	(+) 8,024,452
Internal Replacement	(+) 68,530
<b>SUB-TOTAL</b>	<b>\$ 18,148,077</b>
<b>(C) <u>Inter-System Sales</u></b>	
Including Interchange-out	(+) \$ 676,868
Internal Economy	(+) 25,125
Internal Replacement	(+) 3,410,439
Dollars Assigned to Inter-System Sales Losses	(+) 6,769
<b>SUB-TOTAL</b>	<b>\$ 4,119,201</b>
<b>(D) <u>Over or (Under) Recovery</u></b>	
From Page 5, Line 13	\$ 1,990,653
<b>TOTAL FUEL RECOVERY (A+B-C-D) =</b>	<b>\$ 64,091,466</b>

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : August 2006

(A) Generation (Net)	(+)	1,712,068,000
Purchases including interchange-in	(+)	277,952,000
Internal Economy	(+)	292,522,000
Internal Replacement	(+)	600,000
SUB-TOTAL		<u>2,283,142,000</u>
(B) Inter-system Sales including interchange-out	(+)	7,112,000
Internal Economy	(+)	349,000
Internal Replacement	(+)	87,266,000
(*) System Losses	(+)	126,805,478
SUB-TOTAL		<u>221,532,478</u>
TOTAL SALES (A-B)		<u>2,061,609,522</u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : August 2006

12 Months to Date KWH Sources: 25,120,728,000 KWH  
 12 MTD Overall System Losses: 1,395,202,702 KWH  
 August 2006 KWH Sources: 2,283,142,000 KWH

$$1,395,202,702 / 25,120,728,000 = 5.553990\%$$

$$5.553990\% \times 2,283,142,000 = 126,805,478 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

220,493,935 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 65,806,400 Wholesale sales at Primary Voltage (WS-P)  
 94,727,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	220,493,935	3.1%	7,053,986	227,547,921
WS-P:	65,806,400	3.1% & 0.7%	2,583,994	68,390,394
IS-T:	94,727,000	1.0%	956,838	95,683,838

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : August 2006

1. Last FAC Rate Billed		<u>\$0.00829</u>
2. KWH Billed at Above Rate		<u>1,697,255,442</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 14,070,248</u>
4. KWH Used to Determine Last FAC Rate		<u>1,734,715,248</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>244,110,783</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,490,604,465</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 12,357,111</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 1,713,137</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>2,061,609,522</u>
11. Kentucky Jurisdictional Sales		<u>1,774,201,400</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16199295</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,990,653</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : August 2006

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 7,026,992.17	292,522,000	Fuel for LGE Sale to KU for Native Load
	997,459.37		Half of Split Savings to LGE from KU
	<u>\$ 8,024,451.54</u>	<u>292,522,000</u>	
Internal Replacement	\$ 8,254.81	102,000	Freed-up LGE Generation sold back to KU
	60,275.68	498,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 68,530.49</u>	<u>600,000</u>	
<b>Total Purchases</b>	<u><b>\$ 8,092,982.03</b></u>	<u><b>293,122,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 24,959.88	349,000	KU Fuel Cost - Sales to LGE Native Load
	164.96		Half of Split Savings
	<u>\$ 25,124.84</u>	<u>349,000</u>	
Internal Replacement	\$ 3,410,438.71	87,266,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	<u>\$ 3,410,438.71</u>	<u>87,266,000</u>	0 KU Generation for LGE IB
<b>Total Sales</b>	<u><b>\$ 3,435,563.55</b></u>	<u><b>87,615,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 24,959.88	349,000	KU Fuel Cost - Sales to LGE Native Load
	164.96		Half of Split Savings
	<u>\$ 25,124.84</u>	<u>349,000</u>	
Internal Replacement	\$ 3,410,438.71	87,266,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	<u>\$ 3,410,438.71</u>	<u>87,266,000</u>	0 KU Generation for LGE IB
<b>Total Purchases</b>	<u><b>\$ 3,435,563.55</b></u>	<u><b>87,615,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 7,026,992.17	292,522,000	Fuel for LGE Sale to KU for Native Load
	997,459.37		Half of Split Savings to LGE from KU
	<u>\$ 8,024,451.54</u>	<u>292,522,000</u>	
Internal Replacement	\$ 8,254.81	102,000	Freed-up LGE Generation sold back to KU
	60,275.68	498,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 68,530.49</u>	<u>600,000</u>	
<b>Total Sales</b>	<u><b>\$ 8,092,982.03</b></u>	<u><b>293,122,000</b></u>	

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

<b>AN EXAMINATION OF THE APPLICATION</b>	)	
<b>THE FUEL ADJUSTMENT CLAUSE OF</b>	)	
<b>LOUISVILLE GAS AND ELECTRIC COMPANY</b>	)	<b>CASE NO:</b>
<b>FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006</b>	)	<b>2006-00510</b>

**IN THE MATTER OF:**

<b>AN EXAMINATION OF THE APPLICATION</b>	)	
<b>THE FUEL ADJUSTMENT CLAUSE OF</b>	)	
<b>KENTUCKY UTILITIES COMPANY</b>	)	<b>CASE NO:</b>
<b>FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006</b>	)	<b>2006-00509</b>

<p><b>EXHIBIT __ (SJB-3)</b></p> <p><b>OF</b></p> <p><b>STEPHEN J. BARON</b></p>
--

**ON BEHALF OF**  
**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

## Summary of RSG Amounts when Fuel Cost is greater than Energy Market Revenues

		LG&E Native Load							
		RSG MWP			RSG Distribution Amounts				Net
		Day Ahead	Real Time	Total	Day Ahead	Real Time	2nd Pass	Total	Total
2005	4	-	5,174	5,174	-	(2,092)	-	(2,092)	3,081
2005	5	-	-	-	-	-	-	-	-
2005	6	-	50,139	50,139	-	(10,242)	(56)	(10,298)	39,840
2005	7	7,485	141,617	149,101	(1,915)	(13,431)	-	(15,346)	133,755
2005	8	121	153,026	153,147	(37)	(39,058)	-	(39,095)	114,052
2005	9	67	81,937	82,004	(449)	(34,044)	-	(34,493)	47,512
2005	10	-	1,420	1,420	-	(3,237)	-	(3,237)	(1,817)
2005	11	-	-	-	-	-	-	-	-
2005	12	-	-	-	-	-	-	-	-
2006	1	-	-	-	-	-	-	-	-
2006	2	-	1,135	1,135	-	(658)	-	(658)	477
2006	3	-	3,311	3,311	-	(2,366)	-	(2,366)	945
2006	4	-	2,024	2,024	-	(2,225)	-	(2,225)	(201)
2006	5	-	-	-	-	-	-	-	-
2006	6	39	1,609	1,648	(3)	(1,739)	-	(1,741)	(93)
2006	7	3,515	14,574	18,089	(515)	(1,944)	-	(2,460)	15,630
2006	8	929	40,814	41,743	(53)	(10,083)	-	(10,135)	31,608
		12,155	496,781	508,936	(2,971)	(121,119)	(56)	(124,146)	384,790

		KU Native Load							
		RSG MWP			RSG Distribution Amounts				Net
		Day Ahead	Real Time	Total	Day Ahead	Real Time	2nd Pass	Total	Total
2005	4	-	188,477	188,477	-	(30,853)	(139)	(30,992)	157,485
2005	5	6,568	241,244	247,812	(354)	(24,858)	-	(25,212)	222,600
2005	6	-	875,186	875,186	-	(89,740)	(4,056)	(93,796)	781,391
2005	7	12,942	367,361	380,304	(2,707)	(28,107)	-	(30,814)	349,489
2005	8	2,808	440,535	443,343	(97)	(87,322)	-	(87,418)	355,925
2005	9	58,125	543,740	601,864	(2,291)	(143,241)	-	(145,532)	456,333
2005	10	131,543	269,406	400,948	(4,635)	(73,702)	-	(78,337)	322,611
2005	11	14,299	18,990	33,290	(471)	(11,677)	-	(12,148)	21,142
2005	12	97	244,161	244,259	(5)	(150,330)	-	(150,335)	93,924
2006	1	-	17,003	17,003	-	(2,754)	-	(2,754)	14,249
2006	2	-	162,702	162,702	-	(30,420)	(227)	(30,648)	132,054
2006	3	9,577	314,853	324,430	(1,299)	(32,443)	(205)	(33,947)	290,483
2006	4	-	62,510	62,510	-	(14,866)	-	(14,866)	47,644
2006	5	7,682	70,741	78,423	(157)	(12,193)	-	(12,350)	66,073
2006	6	6,953	71,013	77,966	(492)	(12,561)	-	(13,053)	64,913
2006	7	73,781	239,956	313,736	(2,913)	(42,774)	(946)	(46,632)	267,104
2006	8	9,241	614,060	623,302	(607)	(113,594)	(14)	(114,216)	509,086
		333,616	4,741,938	5,075,553	(16,028)	(901,434)	(5,587)	(923,049)	4,152,504

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

**AN EXAMINATION OF THE APPLICATION            )**  
**THE FUEL ADJUSTMENT CLAUSE OF                )**  
**LOUISVILLE GAS AND ELECTRIC COMPANY        )**     **CASE NO:**  
**FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006 )**     **2006-00510**

**IN THE MATTER OF:**

**AN EXAMINATION OF THE APPLICATION            )**  
**THE FUEL ADJUSTMENT CLAUSE OF                )**  
**KENTUCKY UTILITIES COMPANY                    )**     **CASE NO:**  
**FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006 )**     **2006-00509**

**EXHIBIT\_(SJB-4)**  
**OF**  
**STEPHEN J. BARON**

**ON BEHALF OF**  
**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

**ANALYSIS OF LGE-KU MISO MAKE WHOLE PAYMENTS**

	<b>RSG MWP Received by Company</b>		<b>Excess Fuel Cost</b>	<b>RSG MWP Credited</b>
Day Ahead	LGE	\$ 954,127	14,857	12,155
	KU	\$ 6,713,067	461,112	333,616
	OSS	<u>\$ 3,161,387</u>	485,797	357,816
	Total	\$ 10,828,581	\$ 961,766	\$ 703,587
Real Time	LGE	\$ 2,683,996	567,535	496,781
	KU	\$ 19,252,628	5,004,733	4,741,938
	OSS	<u>\$ 30,499,900</u>	13,340,273	12,555,864
	Total	\$ 52,436,524	\$ 18,912,542	\$ 17,794,582
Total	LGE	\$ 3,638,123	\$ 582,392	\$ 508,936
	KU	\$ 25,965,695	\$ 5,465,846	\$ 5,075,553
	OSS	<u>\$ 33,661,287</u>	<u>\$ 13,826,071</u>	<u>\$ 12,913,680</u>
	Total	\$ 63,265,105	\$ 19,874,308	\$ 18,498,169