

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

IN THE MATTER OF: THE APPLICATION OF BIG  
RIVERS ELECTRIC CORPORATION FOR AN  
ADJUSTMENT OF RATES

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:  
Case No. 2013-00199

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

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

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

**October 2013**

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**I. QUALIFICATIONS AND SUMMARY**

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- Q. Please state your name and business address.**
- A. My name is Stephen J. Baron. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.
- Q. What is your occupation and by whom are you employed?**
- A. I am the President and a Principal of Kennedy and Associates, a firm of utility rate, planning, and economic consultants in Atlanta, Georgia.
- Q. Please describe briefly the nature of the consulting services provided by Kennedy and Associates.**
- A. Kennedy and Associates provides consulting services in the electric and gas utility industries. Our clients include state agencies and industrial electricity consumers. The firm provides expertise in system planning, load forecasting, financial analysis,

1 cost-of-service, and rate design. Current clients include the Georgia and Louisiana  
2 Public Service Commissions, and industrial consumer groups throughout the United  
3 States.

4  
5 **Q. Please state your educational background and experience.**

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

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

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

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

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

1 A. Yes. I have testified before the Kentucky Public Service Commission  
2 (“Commission”) in twenty cases over the past thirty years, including cases related to  
3 Big Rivers Electric Corporation (“Big Rivers” or “Company”).  
4

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

6 A. I am testifying on behalf of Kentucky Industrial Utility Customers, Inc. (“KIUC”), a  
7 group of large industrial customers of Big Rivers. The members of KIUC  
8 participating in this case are Aleris, Inc., Domtar, Inc., and Kimberly-Clark  
9 Corporation. These members of KIUC are the three largest customers in the  
10 Large Industrial class served by Big Rivers.  
11

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

13 A. I provide a recommendation regarding the use of the Rural Economic Reserve funds,  
14 as well as an alternative recommendation for market-based pricing for Large  
15 industrial customers.  
16

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

18 A. Yes. I recommend that the Commission amend the terms of the Rural Economic  
19 Reserve so that those Reserve funds can be used for the benefit of both Rural and  
20 Large Industrial customers. Doing so will prevent unreasonable discrimination  
21 against Large Industrial customers. It will also avoid the possible violation of KRS  
22 278.455, which requires proportional treatment of all customers (except special

1 contract customers) in a distribution cooperative flow through rate case. In the  
2 alternative, if the Large Industrial customers are not treated equally to the 16,000  
3 business customers that are classified as “Rural”, then they should be treated equally  
4 with respect to the two smelters and be given market-based pricing for 15%-25% of  
5 their load.

6  
7 **II. USE OF THE RURAL ECONOMIC RESERVE**  
8

9 **Q. What is the origin of the Rural Economic Reserve?**

10 **A.** The Rural Economic Reserve was created by the Commission as a condition to its  
11 approval of the Unwind Transaction.<sup>1</sup> In the Unwind Case, the Commission  
12 required Big Rivers to use \$157 million of the cash payment it received from the  
13 E.ON Entities to create the Economic Reserve, which would help offset future  
14 increases in fuel, environmental, and other costs for all non-smelter customers (i.e.  
15 Rural and Large Industrial customers).<sup>2</sup> The Commission also required that the  
16 E.ON Entities pay Big Rivers an additional \$60.9 million beyond the amount they  
17 had already committed to contribute to the Phillip Morris Credit Corporation lease  
18 buy-out. This additional \$60.9 million would be used to create the Rural Economic

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<sup>1</sup> Case No. 2007-00455 (the “Unwind Case”), March 6, 2009 Order (“Unwind Case Order”).

<sup>2</sup> Unwind Case Order at 11. “E.ON Entities” refers to E.ON U.S. LLC, Western Kentucky Energy Corp., and LG&E Marketing, Inc.

1 Reserve, which would help offset projected rate increases to Rural customers once  
2 the Economic Reserve funds were exhausted.<sup>3</sup>

3  
4 **Q. What types of customers are considered “Rural” customers?**

5 A. The “Rural” customer class includes not only residential customers, but also  
6 commercial customers and smaller industrial customers. Many of these “Rural”  
7 customers are national or multi-national businesses like Wal-Mart, Burger King,  
8 Sam’s Club, etc.

9  
10 **Q. Why did the Commission set aside funds only for the benefit of the Rural**  
11 **customers?**

12 A. In the Unwind Case Order, the Commission directed that the Rural Economic  
13 Reserve be used to mitigate future rate effects on the Rural customers, but did not  
14 address or articulate a rationale for the exclusion of the twenty customers in the  
15 Large Industrial class at that time. In that Order, the Commission did articulate its  
16 concern about the potential rate impacts of the Unwind Transaction on Rural  
17 customers in light of higher projected fuel costs and the exhaustion of the Economic  
18 Reserve in 2013.<sup>4</sup>

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<sup>3</sup> Unwind Case Order at 23-26.

<sup>4</sup> Unwind Case Order at 25.

1           It is important to consider that there is a link between the smelter rate and the  
2 Large Industrial rate, which may have contributed to a reluctance to apply the Rural  
3 Economic Reserve funds to the Large Industrial class. The smelters' base energy  
4 rates were tied to the wholesale power rates of Large Industrial customers.<sup>5</sup> While  
5 Rural Economic Reserve mitigation would not have directly applied to the Large  
6 Industrial base energy rates that establish the link to the Smelters, there could have  
7 been a concern that potential Large Industrial Rural Economic Reserve credits  
8 would indirectly impact the Smelter rates. To the extent that this might have been a  
9 concern in the past, it is no longer a concern with the termination of the Smelter  
10 contracts.

11           Regardless of the Commission's rationale, its decision to exclude Large  
12 Industrial customers from the benefits of the Rural Economic Reserve meant that  
13 those customers received fewer benefits from the Unwind Transaction than other  
14 customers of Big Rivers. The Smelters participated directly in the negotiations in  
15 the Unwind Transaction and received very specific and substantial economic  
16 benefits. The Rural customers were allocated the benefits of the Economic Reserve  
17 *and* all of the Rural Economic Reserve. When compared to the benefits received by  
18 these other customer groups, the benefits received by the Large Industrial customers  
19 are more limited.

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<sup>5</sup> Unwind Case Order at 16.

1       **Q.    Is it reasonable to continue to set aside the Rural Economic Reserve funds only**  
2       **for the benefit of Rural customers?**

3       A.    No.  Circumstances have changed significantly since the Unwind Case Order was  
4       issued in March 2009.  In that Order, the Commission relied upon the October 2008  
5       Financial Model results, which projected that Big Rivers would not require a general  
6       rate increase until 2017.  It is therefore reasonable to conclude that the Commission  
7       expected rate stability for the non-smelter rate classes, particularly since the  
8       Economic Reserve would be available to provide rate mitigation to *both* Rural and  
9       Large Industrial customers.

10                In the last two years, however, both the Hawesville and Sebree smelters have  
11                given notice that they will exit the Big Rivers system.  The Hawesville smelter  
12                has already exited and the Sebree smelter will follow on January 31, 2014.  As a  
13                result, Big Rivers now proposes tremendous rate increases to both Rural *and*  
14                Large Industrial customers (72% and 112%, respectively, on an “all-in” basis).<sup>6</sup>  
15                This significant change of circumstance warrants taking action to mitigate the  
16                effect of these rate increases on all of the remaining Big Rivers’ customers, not  
17                only the Rural customers.

18  
19       **Q.    What do you recommend the Commission do with respect to the Rural**  
20       **Economic Reserve?**

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<sup>6</sup> See Direct Testimony of KIUC witness Lane Kollen.



1       A.     I recommend that the Commission amend the terms of the Rural Economic  
2           Reserve funds so that those funds can be used for the benefit of both Rural and  
3           Large Industrial customers. The Commission created the Rural Economic  
4           Reserve and the Commission can modify it in this case to treat all of Big Rivers'  
5           customers on an equal basis.

6

7       **Q.     Is your recommendation to apply the Rural Economic Reserve on an equal**  
8           **basis for both Rural and Large Industrial customers consistent with the**  
9           **KIUC Rate Plan proposal recommended by Mr. Kollen?**

10      A.     Yes. While the KIUC Rate Plan utilizes both the Economic Reserve and the  
11           Rural Economic Reserve funds directly to maintain Big Rivers' financial metrics,  
12           the effect of the KIUC Rate Plan is to utilize the Rural Economic Reserve (and  
13           the Economic Reserve) on an equal basis for both rate classes. Under the KIUC  
14           Rate Plan, there would not be a specific RER credit each month, but the net effect  
15           on Rural and Large Industrial rates would be consistent with an application of the  
16           RER as a credit to both rate classes.

17

18      **Q.     If the Commission does not adopt the KIUC Rate Plan, do you still**  
19           **recommend that the Rural Economic Reserve be applied on an equal basis to**  
20           **both Rural and Large Industrial customers?**

21      A.     Yes, for the reasons that I discuss in my testimony.

22

1       **Q.    Have you estimated the impact of your recommendation to treat the Rural and**  
2       **Large Industrial customers in an equal manner with regard to the Rural**  
3       **Economic Reserve?**

4       **A.    Yes. I have evaluated the impact of our proposal to apply the Rural Economic**  
5       **Reserve equally to Rural and Large Industrial customers on the depletion date of that**  
6       **Reserve. Big Rivers' witness John Wolfram reports that the Economic Reserve will**  
7       **be depleted in July 2014 and the Rural Economic Reserve will be depleted in April**  
8       **2015, based on the Company's proposed use of these funds. Recall that the**  
9       **Economic Reserve fund is used to mitigate bill impacts for both the Rural and Large**  
10      **Industrial rate classes.<sup>7</sup> The Company used its financial forecast model to determine**  
11      **the depletion date and the allocations of the Economic Reserve between Rural and**  
12      **Large Industrial customers and also to model the depletion date of the Rural**  
13      **Economic Reserve allocated only to Rural customers. We have modified the**  
14      **Company's financial forecast model to reflect our recommendation to use the Rural**  
15      **Economic Reserve equally for all Big Rivers' customers. If the KIUC**  
16      **recommendation is adopted by the Commission (using the Rural Economic Reserve**  
17      **equally for Rural and Large Industrial customers), the Rural Economic Reserve fund**  
18      **is depleted in February 2015, only two months earlier.**

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<sup>7</sup> Wolfram Direct Testimony at page 31.

1       **Q.     How much of the Rural Economic Reserve fund would go to the Rural class**  
2       **under the KIUC proposal?**

3       A.     Based on our analysis using the Big Rivers' financial model, about \$51.0 million of  
4       the fund would go to the Rural rate class. This compares to about \$66.8 million  
5       going to the Rural class if the fund is applied only to the Rural customers (unequal  
6       treatment). About \$15.7 million would go to the Large Industrial class under the  
7       KIUC proposal. The Rural class would still receive 76% of the Rural Economic  
8       Reserve if it is used on an equal basis for both Rural and Large Industrial customers.

9  
10      **Q.     Why should the Commission adopt your recommendation?**

11      A.     Amending the terms of the Rural Economic Reserve will prevent the Commission  
12      from unreasonably discriminating against Large Industrial customers and/or giving  
13      an unreasonable preference to Rural customers. Counsel has advised me that KRS  
14      278.170(1) provides:

15                   *No utility shall, as to rates or service, give any unreasonable preference or*  
16                   *advantage to any person or subject any person to any unreasonable*  
17                   *prejudice or disadvantage, or establish or maintain any unreasonable*  
18                   *difference between localities or between classes of service for doing a like*  
19                   *and contemporaneous service under the same or substantially the same*  
20                   *conditions.*

21  
22                   In my opinion as a non-lawyer, excluding Large Industrial customers from  
23      receiving any benefit from the Rural Economic Reserve funds would be  
24      unreasonably discriminatory and would provide an unreasonable preference to Rural  
25      customers over Large Industrial customers.

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**Q. Why do you say so?**

A. Failing to extend the protection of the Rural Economic Reserve fund to Large Industrial customers would result in Big Rivers providing the same product (wholesale generation & transmission service) to the same customers (member cooperatives serving Rural and Large Industrial customers) at different rates without a reasonable justification for why one class of end-use customer is being treated differently than the other.

There is no cost-of-service basis for providing additional rate protection to certain customers through the Rural Economic Reserve while excluding others from that protection. Doing so merely favors certain businesses that happen to be categorized as “Rural” such as Wal-Mart, Burger King, and Sam’s Club over businesses that happen to be categorized as “Large Industrial” such as Aleris, Domtar, and Kimberly Clark.

Nor is there support for favoring Rural customers over Large Industrial customers based upon energy usage. It is highly likely that some Rural customers will use more energy on an annual basis than certain Large Industrial customers. For example, Alcoa and KMMC, Inc., two Large Industrial customers, are projected to use 1,126 MWh and 563 MWh in 2014, respectively.<sup>8</sup> This is

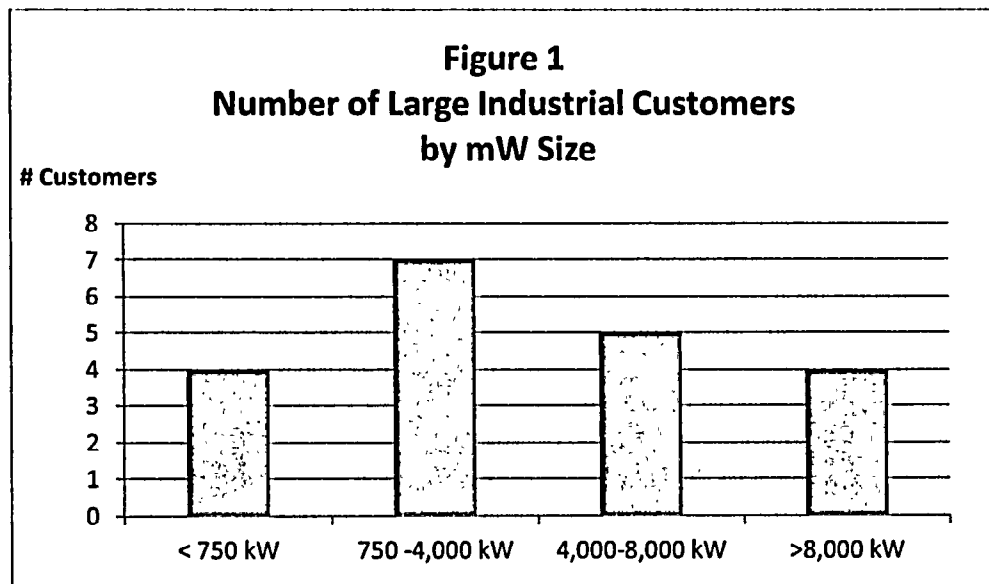
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<sup>8</sup> Case No. 2012-00535, Exhibit\_\_ (SJB-2), Big Rivers Demand and Energy Budget) at 2.

1 significantly less energy than a high load factor Rural customer such as grocery  
2 store will use in a year, especially in the aggregate.

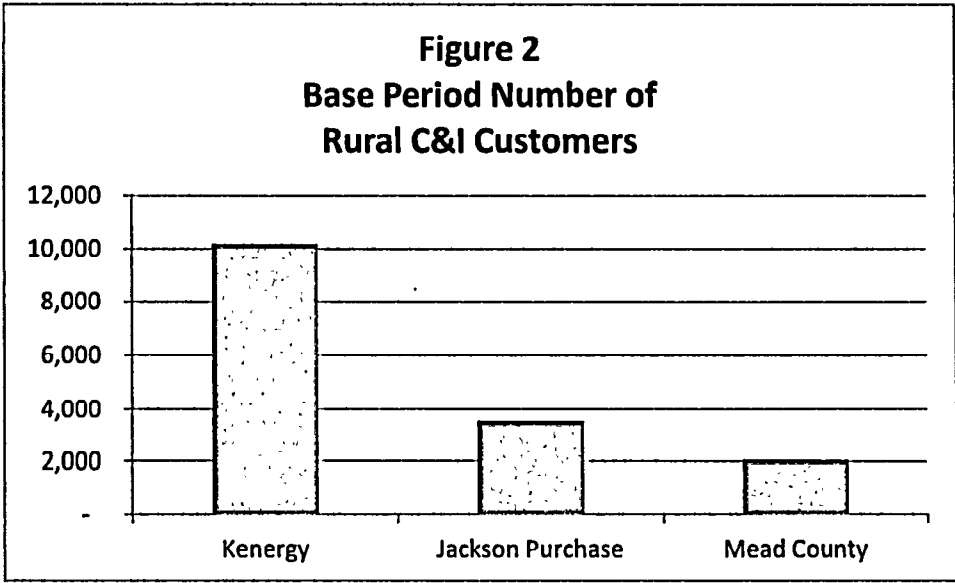
3  
4 **Q. Are there any material differences between customers taking service under**  
5 **Big Rivers' Large Industrial class rate and large commercial and industrial**  
6 **customers that are considered Rural customers?**

7 **A. Not really. As shown on Baron Exhibit \_\_ (SJB-2), there are 20 Big Rivers' Direct**  
8 **Served Large Industrial customers with projected billing demands ranging from**  
9 **100 kW to 38,000 kW in 2014. Of these customers, 11 have billing demands less**  
10 **than 4,000 kW (4 of these customers have billing demands less than 750 kW).**  
11 **Figure 1 below shows the distribution of Large Industrial rate class customers by**  
12 **kW size.**



13

1                    Compare this to Big Rivers' Rural customers. Figure 2 shows the total  
2                    number of Rural commercial and industrial customers on the three Big Rivers'  
3                    member cooperative systems. There are almost 16,000 of these commercial and  
4                    industrial customers classified as "Rural", compared to 20 Large Industrial rate  
5                    class customers.



7

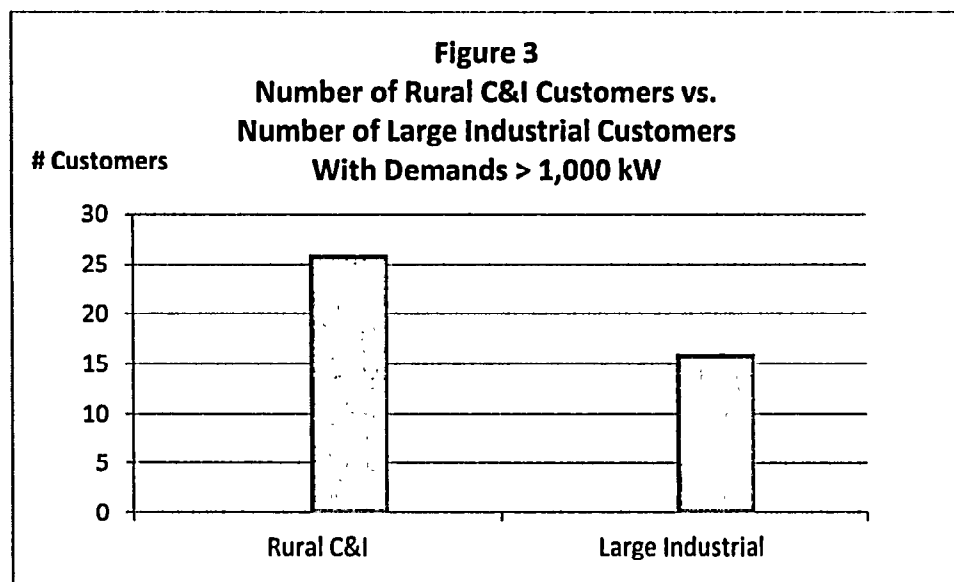
8

9                    Kenergy has over 10,000 commercial and industrial customers, 15 of whom are  
10                    three-phase customers with billing demands in excess of 1,000 kW per month.<sup>9</sup>  
11                    There are over 300 Large Power customers on the Meade County system, 9 of  
12                    who are customers with billing demands in excess of 1,000 kVa per month. On  
13                    the Jackson Purchase system, there are two Large Commercial and Industrial

<sup>9</sup> See Baron Exhibit \_\_ (SJB-3), Response to PSC 1-51 in Case No. 2013-00199.

1 customers (Rural) whose average monthly billing demand is in excess of 3,000  
2 kW. To put this into perspective, the average monthly billing demand of all but  
3 the 4 highest Large Industrial class customers (16 customers) is 3,360 kW.<sup>10</sup>

4 Figure 3 is a chart that compares the number of Rural customers that have  
5 billing demands in excess of 1,000 kW per month to the number of Large  
6 Industrial customers with 1,000 kW or greater loads.



7  
8 Clearly, there are large industrial Rural customers who will receive Rural  
9 Economic Reserve mitigation that are larger than many of the Large Industrial rate  
10 class customers who will not receive the Rural Economic Reserve funds. There is  
11 no basis to deny the same Rural Economic Reserve mitigation to all of Big Rivers'  
12 customers, including customers in the Large Industrial class.

<sup>10</sup> Calculated for 2014 budget year, per Big Rivers' data shown in Exhibit \_\_ (SJB-2).

1           Additionally, if the link between the smelter rate and the Large Industrial  
2 rate was a factor in the decision to exclude Large Industrial customers from the  
3 protection provided by the Rural Economic Reserve in the Unwind Case, the  
4 departure of the smelters has now severed this link. That means there is no longer  
5 a risk that offsetting Large Industrial rates with the Rural Economic Reserve will  
6 have any impact on future smelter rates.

7           The only significant distinction that remains between these customers is  
8 that the Large Industrial customers take service at a different voltage than the  
9 Rural customers. But, as I discussed above, that distinction does not justify  
10 protecting some customers from Big Rivers' proposed rate increases to a greater  
11 extent than other customers. Even among the Rural class, customers take service  
12 at different voltage levels.

13  
14       **Q. Are there other reasons for the Commission to adopt your recommendation?**

15       **A.** Yes. The total rate increase (at retail on a percentage basis) that Big Rivers  
16 proposes for Large Industrial customers is even larger than that proposed for  
17 Rural customers. Consequently, the need for any and all rate mitigation for Large  
18 Industrial customers is even greater than the need for rate mitigation for Rural  
19 customers.

20           Additionally, the financial health of Large Industrial customers, who  
21 provide thousands of high-paying jobs, is just as vital to the Kentucky economy as  
22 that of Rural customers. Large Industrial customers must compete on both a



1 national and an international basis, whereas many business customers classified as  
2 “Rural” are not subject to such competitive pressures. From an economic  
3 development perspective, the Rural Economic Reserve currently discriminates  
4 against exactly the wrong customer class.

5 Neither the Rural nor the Large Industrial customers bear any  
6 responsibility for the large rate increases that Big Rivers seeks to impose. Hence,  
7 there is no reasonable basis to protect one rate class from the impacts of Big  
8 Rivers’ financial problems to a greater extent than another rate class. The  
9 Commission should treat each of these customer groups equally with respect to  
10 the very limited mitigation tools that the Commission has at its disposal.

11 The \$60.9 million that the Commission used to create the Rural  
12 Economic Reserve came from the E.ON Entities - not from Big Rivers and not  
13 from the Rural customers. Those funds were supposed to be used to protect  
14 customers from substantial rate increases. My recommendation is consistent with  
15 the Commission’s ultimate objective in creating the Rural Economic Reserve  
16 since it will protect all customer classes from the substantial rate increases  
17 currently proposed by Big Rivers.

18  
19 **Q. Do utilities typically spread the benefits of economic windfalls among all**  
20 **customer groups?**

21 **A. Yes. In my experience, all customer groups typically benefit when a utility receives**  
22 **an economic windfall. For example, in April of 2000, Big Rivers entered a sale and**

1 leaseback transaction of its Wilson and Green generating stations that permitted the  
2 Company to prepay Rural Utilities Service debt (“RUS”), saving Big Rivers  
3 approximately \$3.68 million annually in debt service costs. This “savings” was  
4 passed on to both Rural and Large Industrial customers through a Member Rate  
5 Discount Adjustment Rider (“MRDA”) approved by the Commission pursuant to  
6 KRS 278.455.<sup>11</sup> In its Order approving the MRDA, the Commission expressly  
7 noted that the percentage changes in revenue and power costs for both the Rural and  
8 Large Industrial rate classifications were equal.<sup>12</sup>

9 Another example of such equal treatment can be found in the reductions to  
10 the revenue requirements of electric utilities in Kentucky that resulted from the Tax  
11 Reform Act of 1986 were spread among all customer groups.<sup>13</sup> Insurance proceeds  
12 received by a utility as well as interest savings are also generally split among all  
13 customer groups. It would therefore be atypical to continue to single out only one  
14 rate class that can benefit from the Rural Economic Reserve.

15 I would also note that the bylaws of Big Rivers’ member cooperatives grant  
16 each customer, whether Rural or Large Industrial, one vote in determining the make-

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<sup>11</sup> See Case No. 2000-00382, Order (August 30, 2000).

<sup>12</sup> See Case No. 2000-00382, Order (August 30, 2000).

<sup>13</sup> Case No. 9779, *The Effects of the Federal Tax Reform Act of 1986 on the Rates of Kentucky Power Company*, Order (June 11, 1987); Case No. 9780, *The Effects of the Federal Tax Reform Act of 1986 on the Rates of Kentucky Utilities Company*, Order (June 11, 1987), Case No. 9781, *The Effects of the Federal Tax Reform Act of 1986 on the Rates of Louisville Gas and Electric Company*, Order (June 11, 1987); Case No. 9782, *The Effects of the Federal Tax Reform Act of 1986 on the Rates of The Union Light, Heat, and Power Company - Electric*, Order (June 11, 1987).

1 up of their cooperative's Board of Directors. This policy reinforces the principle  
2 that customers within Big Rivers' service territory deserve equitable treatment.

3  
4 **Q. Does the unequal treatment of the Large Industrial and Rural rate classes with**  
5 **respect to the Rural Reserve violate KRS 278.455?**

6 A. Yes, I believe it does. I am advised by counsel that KRS 278.455 provides that in  
7 the event of an increase or decrease in the wholesale rates and tariffs of the  
8 wholesale supplier by the Commission, the rates and tariffs of the distribution  
9 cooperative that have been revised on a proportional basis to result in no change in  
10 the rate design will be authorized and will become effective on the same date as  
11 those of the wholesale supplier. The statute specifically excludes special contract  
12 customers. Therefore, the smelters would have been excluded from the protections  
13 of KRS 278.455.

14 The streamlined rate case provision of KRS 278.455 eliminates the need for  
15 full-blown distribution cooperative rate cases if the wholesale G&T rate change is  
16 flowed through to end use customers on a proportional basis that does not change the  
17 existing rate design. This statutory provision reflects a legislative policy that in the  
18 absence of a full-blown distribution rate case, all customers of Kenergy, Meade  
19 County and Jackson Purchase should receive proportional treatment with respect to  
20 wholesale rate increases or decreases. Excluding one rate class from benefits that  
21 another rate class will receive through the Rural Economic Reserve runs counter to  
22 this policy and may violate the statute since it results in a different rate design for the

1 Rural versus Large Industrial customers. Whether such as statutory violation would  
2 occur here is a legal question.

3  
4 **Q. Has the Commission amended the terms of a Reserve fund it created when**  
5 **changed circumstances required it to do so in the past?**

6 A. Yes. The Commission did so as recently as March 2013. In the Unwind Case,  
7 the Commission created a \$35 million Transition Reserve so that in the event that  
8 the smelters terminated their contracts and sales to the wholesale power market  
9 did not produce revenues greater than the smelter rates, the funds in that Reserve  
10 could be used to make up the difference. When Big Rivers was unable to secure  
11 financing to pay off its 1983 pollution control bonds, which were set to mature in  
12 June 2013, the Commission allowed Big Rivers to amend the terms of the  
13 Transition Reserve so that Big Rivers could use it to help pay off this debt.<sup>14</sup>

14 By amending the terms of the Transition Reserve, the Commission used  
15 the financial resources it had to solve a problem created by circumstances  
16 markedly different than those present during the Unwind Case. The Commission  
17 should likewise change the terms of the Rural Reserve Fund in order to fit the  
18 changed circumstances of today.

19  

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<sup>14</sup> Case No. 2012-00492, Order (March 26, 2013): “*Big Rivers is authorized to use the Transition Reserve funds to replace up to \$35 million of the aforementioned CoBank funds and use them for capital expenditures in the ordinary course of business, as requested in its amended application.*”

1       **Q.     Does Big Rivers itself propose to change the use of the Rural Economic Reserve**  
2       **in this case?**

3       A.     Yes. Rather than using the Economic and Rural Economic Reserves as it currently  
4       does (only to mitigate fuel and environmental rate increases), Big Rivers suggests  
5       accelerating the use of the Reserve funds to also fully offset its proposed *base* rate  
6       increases.<sup>15</sup> The Company projects that accelerating the use of the Reserves in  
7       this manner will result in depletion of the Economic Reserve by July 2014 and  
8       depletion of the Rural Economic Reserve by April 2015.<sup>16</sup> At that time, the full  
9       magnitude of Big Rivers' proposed increases will be felt by both Rural and Large  
10      Industrial customers, as well as the full impact of the increases in the FAC and  
11      ECR that had been offset by the Reserve funds.

12  
13      **Q.     How do you respond to Big Rivers' proposal regarding the use of the Economic**  
14      **Reserve and the Rural Economic Reserve?**

15      A.     In my opinion, the better use of the Reserve funds is the approach recommended by  
16      KIUC witness Kollen in this case. My recommendation would work in concert with  
17      Mr. Kollen's approach since eliminating the Rural/Large Industrial distinction is  
18      important to the mechanics of KIUC's proposed Formula Rate Plan. Doing so  
19      would allow Big Rivers to draw from the Reserve funds on a monthly basis in

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<sup>15</sup> Direct Testimony of Mark A. Bailey at 6:17-7:20; Direct Testimony of Billie J. Richert ("Richert Testimony") at 13:2-14:25; Direct Testimony of John Wolfram at 29:11-31:13.

<sup>16</sup> Richert Testimony at 14:5-7. If the Commission does not alter the use of the Reserve Funds as Big Rivers proposes, the Company projects that the Economic Reserve would be depleted by April 2015 and the Rural Economic Reserve would be depleted by March 2017. *Id.* at 14:3-5.

1 order to meet a target TIER without concern that one Reserve fund will run out  
2 before the other.

3  
4 **Q. Even if the Commission does not adopt the approach discussed by KIUC**  
5 **witness Kollen in this case, should it still approve your recommendation?**

6 A. Yes. Amending the terms of the Rural Economic Reserve in order to protect both  
7 Rural and Large Industrial customers is critical to preventing unreasonable  
8 discrimination among rate classes.

9  
10 **Q. Why hasn't KIUC raised this discrimination issue in the past?**

11 A. As the Commission's Order acknowledges, time was of the essence in closing the  
12 Unwind Transaction.<sup>17</sup> I have been advised by KIUC counsel that there was a  
13 concern that asking for rehearing to refine the Commission's findings in the Unwind  
14 Case Order would only have led to additional delay. Moreover, the financial  
15 projections presented in that case reflected that the rates of Big Rivers' customers  
16 would be relatively stable in the future. As discussed above, circumstances have  
17 changed dramatically since that time, with both Rural and Large Industrial  
18 customers now facing substantial rate increases as a result of the smelters'  
19 departures. These changed circumstances have even prompted Big Rivers to  
20 propose altering the use of the Reserve funds in this case. Another reason is that

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<sup>17</sup> Unwind Case Order at 25.

1 none of the Rural Economic Reserve funds have been used at this point so there has  
2 not yet been any damage to Large Industrial customers. But if Big Rivers' proposed  
3 72% and 112% rate increases are ultimately approved, the Reserve funds will likely  
4 need to be drawn on in the very near future.

5 It is important to recognize that no discrimination has yet occurred because  
6 the Rural Economic Reserve fund has not been utilized – it is thus not too late for the  
7 Commission to modify the provisions of the Rural Economic Reserve, a fund that  
8 the Commission itself created. Moreover, it is reasonable for the Commission to  
9 address this issue now, in this case, because: 1) the Rural Economic Reserve is about  
10 to be utilized to mitigate rates (though, as contemplated by Big Rivers, only Rural  
11 rates); and 2) the substantial magnitude of the expected rate increases to the Large  
12 Industrial rate class that are being requested by Big Rivers in this case. The  
13 Commission created the Rural Economic Reserve. It is certainly reasonable for the  
14 Commission to modify the Rural Economic Reserve in light of the issues that I have  
15 discussed in my testimony.

16  
17 **Q. In the event that the Commission does not adopt your recommendation to**  
18 **utilize the Rural Economic Reserve funds in an equal manner for both the**  
19 **Rural and Large Industrial rate classes, do you have an alternative**  
20 **recommendation in this case to mitigate the economic impact of the Company's**  
21 **proposed rate increase to the Large Industrial class?**

1       A.     Yes. If the Commission rejects the application of the Rural Economic Reserve on an  
2             equalized basis for all Big Rivers' customers, then I would recommend that the  
3             Commission permit Large Industrial customers to purchase a portion of their  
4             requirements based on market prices. Effectively, if the Large Industrial class is to  
5             be treated differently for ratemaking purposes than the Rural class (due to the  
6             availability of Rural Economic Reserve mitigation), it is reasonable to permit these  
7             customers an alternative avenue to mitigate their costs similar to the smelters. In  
8             other words, if the 20 Large Industrial customers are not treated equally with the  
9             16,000 commercial and industrial customers classified as Rural, then they should be  
10            treated equally with the two smelters.

11                    My specific recommendation is to modify the Large Industrial tariff to  
12                    permit customers, at their option, to receive up to 15% of their demand and energy  
13                    requirements priced at market-based rates rather than the standard tariff. Further,  
14                    such customers should be permitted to gradually increase this percentage, again at a  
15                    customer's option, by 5% per year up to a maximum of 25% in the third rate  
16                    effective year. This market-based pricing for a portion of a customer's requirements  
17                    would be similar to the arrangement being offered to the Smelters. Again, this  
18                    proposal is only an alternative in the event that the Commission does not modify the  
19                    Rural Economic Reserve to apply the proceeds on an equal basis to both Rural and  
20                    Large Industrial customers.

21



1       **Q.    Is the KIUC alternative proposal to permit Large Industrial customers the**  
2       **opportunity to purchase a portion of their load at market prices similar to**  
3       **provisions contained in any other Commission-approved Big Rivers tariffs?**

4       **A.    Yes, it is generally consistent with the pricing provisions of Big Rivers’ Standard**  
5       **Rate LICX (Large Industrial Customer Expansion), which allows for market-based**  
6       **rates for new or expansion power associated with loads that are 10 mW or greater.**  
7       **The specific provisions of rate LICX apply to new customers and the expansion load**  
8       **of existing customers. The main difference between KIUC’s alternative**  
9       **recommendation in this case (if the Rural Economic Reserve is not used equally for**  
10       **both Rural and Large Industrial customers) is that the KIUC proposal would permit**  
11       **any existing Large Industrial customer to utilize market-based rates for a portion of**  
12       **their “existing” load – there is no requirement that the customer actually expand its**  
13       **load per rate LICX as it is currently structured.**

14  
15       **Q.    Without offering a legal opinion, is KIUC’s proposed market-based pricing**  
16       **proposal materially different than the pricing arrangement underlying rate**  
17       **LICX?**

18       **A.    No. There is no difference with regard to the key provision of providing a portion of**  
19       **a Large Industrial customer’s load at market prices, rather than the standard Big**  
20       **Rivers’ Large Industrial rate. Large Industrial customers who elect to utilize this**  
21       **option (the KIUC market price option) would continue to purchase power from**  
22       **Kenergy, Jackson Purchase or Meade County, who in turn would purchase this**

1 market priced power from Big Rivers. Thus, there would be no violation of  
2 Kentucky's certified territory laws since the Large Industrial customers would still  
3 purchase from their respective distribution utility.

4 Neither would there be a violation of the all requirements contracts the  
5 members have with Big Rivers since Big Rivers would still be the wholesale  
6 provider. Big Rivers already makes market priced purchases for all customers of the  
7 three member cooperatives with cost recovery through both the Fuel Adjustment  
8 Clause and the Purchase Power Adjustment. Under this alternative  
9 recommendation, Big Rivers would simply direct and assign specific market  
10 purchases to Large Industrial customers electing to participate in the program.

11  
12 **Q. Does that complete your testimony?**

13 **A. Yes.**

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

IN THE MATTER OF: THE APPLICATION OF BIG :  
RIVERS ELECTRIC CORPORATION FOR AN : Case No. 2013-00199  
ADJUSTMENT OF RATES :

**EXHIBITS**  
**OF**  
**STEPHEN J. BARON**

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

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

**October 2013**

**AFFIDAVIT**

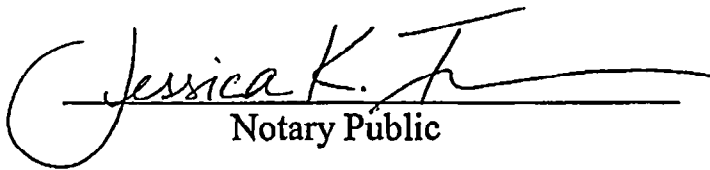
STATE OF GEORGIA )

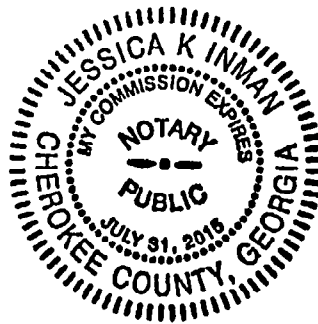
COUNTY OF FULTON )

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

Sworn to and subscribed before me on this  
22nd day of October 2013.

  
\_\_\_\_\_  
Notary Public



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

IN THE MATTER OF: THE APPLICATION OF BIG :  
RIVERS ELECTRIC CORPORATION FOR AN : Case No. 2013-00199  
ADJUSTMENT OF RATES :

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

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

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

**October 2013**

**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.

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**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.

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 September 2013**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</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	1-840381	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.

**Expert Testimony Appearances  
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Stephen J. Baron  
As of September 2013**

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

**Expert Testimony Appearances  
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Stephen J. Baron  
As of September 2013**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
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 Interveners	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Interveners	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.
10/87	I-860025	PA	Pennsylvania Industrial Interveners		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/	MN	Taconite	Minnesota Power	Excess capacity, power and

**Expert Testimony Appearances  
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Stephen J. Baron  
As of September 2013**

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

**Expert Testimony Appearances  
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Stephen J. Baron  
As of September 2013**

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

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of September 2013**

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

**Expert Testimony Appearances  
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Stephen J. Baron  
As of September 2013**

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

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of September 2013**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
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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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 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 Intervenor	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
3/98 (Allocated Stranded Cost Issues)	U-22092	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Retail competition, stranded cost quantification.
3/98	U-22092		Louisiana Public Service Commission	Gulf States Utilities, Inc.	Stranded cost quantification, restructuring issues.
9/98	U-17735		Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Revenue requirements analysis, weather normalization.
12/98	8794	MD	Maryland Industrial Group and Millennium Inorganic Chemicals Inc.	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross- 40-000 Answering Testimony)	EC-98-	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.

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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 & ER00-2854 EL95-33-002	LA	Louisiana Public Service Commission	Entergy Services Inc.	Inter-Company System Agreement: Modifications for retail competition, interruptible load.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Addressing Contested Issues	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Jurisdictional Business Separation - Texas Restructuring Plan
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Test year revenue forecast.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning requirements transmission revenues.
11/01	U-25965	LA	Louisiana Public Service Commission	Generic .	Independent Transmission Company ("Transco"). RTO rate design.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design, resource planning and demand side management.
06/02	U-25965	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO Issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEPCO, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.

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08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff MSS-4.
11/03	ER03-583-000 ER03-583-001 ER03-583-002  ER03-681-000, ER03-681-001  ER03-682-000, ER03-682-001 ER03-682-002	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO 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 Molybdenum	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. E-01933A-05-0650	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 E-GI	WV	West Virginia Energy Users Group	Appalachian Power Co. American Electric Power Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. 08-124-EL-ATA	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. 07-035-93	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. 6680-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Case No. 08-936-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. 08-935-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
09/08	Case No. 08-917-EL-SSO 08-918-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Provider of Last Resort Rate Plan
10/08	2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/08	08-1511 E-GI	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/08	M-2008-2036188, M-2008-2036197	PA	Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Transmission Service Charge
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
01/09	E-01345A-08-0172	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
02/09	2008-00409	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design



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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

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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

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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
3/12	Case No. 2011-00401	KY	Kentucky Industrial Utility Consumers	Kentucky Power Company	Environmental Cost Recovery
4/12	2011-00036 Rehearing Case	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Cost of Service, Rate Design
5/12	2011-346 2011-348	OH	Ohio Energy Group	Ohio Power Company	Electric Security Rate Plan Interruptible Rate Issues
6/12	PUE-2012-00051	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider
6/12	12-00012 12-00026	TN	Eastman Chemical Co. Air Products and Chemicals, Inc.	Kingsport Power Company	Demand Response Programs
6/12	Docket No. 11-035-200	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
6/12	12-0275- E-GI-EE	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Rider

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6/12	12-0399-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
7/12	120015-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
7/12	2011-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Environmental Cost Recovery
8/12	Case No. 2012-00226	KY	Kentucky Industrial Utility Consumers	Kentucky Power Company	Real Time Pricing Tariff
9/12	ER12-1384	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement, Cancelled Plant Cost Treatment
9/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/12	12-1238 E-GI	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost Recovery Issues
12/12	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana	Purchased Power Contracts
12/12	EL09-61	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to off-system sales Damages Phase
12/12	E-01933A-12-0291	AZ	Kroger Company	Tucson Electric Power Co.	Decoupling
1/13	12-1188 E-PC	WV	West Virginia Energy Users Group	Appalachian Power Company	Securitization of ENEC Costs
1/13	E-01933A-12-0291	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
4/13	12-1571 E-PC	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Generation Resource Transition Plan Issues
4/13	PUE-2012-00141	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Generation Asset Transfer Issues
6/13	12-1655 E-PC	WV	West Virginia Energy Users Group	Appalachian Power Company	Generation Asset Transfer Issues
06/13	U-32675	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	MISO Joint Implementation Plan Issues

**Expert Testimony Appearances  
of  
Stephen J. Baron  
As of September 2013**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
7/13	130040-EI	FL	WCF Health Utility Alliance	Tampa Electric Company	Cost of Service, Rate Design
7/13	13-0467-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
7/13	13-0462-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Issues
8/13	13-0557-E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Right-of-Way, Vegetation Control Cost Recovery Surcharge Issues

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

IN THE MATTER OF: THE APPLICATION OF BIG :  
RIVERS ELECTRIC CORPORATION FOR AN : Case No. 2013-00199  
ADJUSTMENT OF RATES :

**EXHIBIT\_(SJB-2)**  
**OF**  
**STEPHEN J. BARON**

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

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

**October 2013**



**DEMAND AND ENERGY BUDGET  
2014 - 2015**

**BILLING DEMAND (MW) - 2014**

	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	TOTAL
KENERGY	248.8	221.3	197.5	167.3	196.1	242.9	262.3	254.8	232.8	170.7	203.4	232.8	2,630.7
JACKSON PURCHASE	135.7	118.8	108.6	94.1	113.8	142.0	153.4	146.9	131.3	94.0	111.4	128.4	1,478.5
MEADE COUNTY	112.8	99.7	82.2	65.8	71.5	87.4	95.6	92.9	84.1	65.9	85.2	100.5	1,043.6
DSM&E SAVINGS	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(24.0)
<b>TOTAL MEMBER RURAL DEMAND</b>	<b>495.4</b>	<b>437.9</b>	<b>386.4</b>	<b>325.2</b>	<b>379.4</b>	<b>470.2</b>	<b>509.2</b>	<b>492.5</b>	<b>446.2</b>	<b>328.8</b>	<b>398.1</b>	<b>459.7</b>	<b>5,128.8</b>
ACCURIDE	4.9	5.0	5.0	5.2	5.2	5.4	5.5	5.4	5.1	5.0	5.0	5.1	61.8
ALCOA	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.8
ALERIS	28.2	28.2	26.8	27.7	27.0	28.4	28.6	26.8	27.4	26.4	26.6	27.8	328.0
ALLIED (STEMPORT)	7.2	7.2	7.2	7.7	7.6	7.3	6.6	7.2	6.9	7.0	6.8	7.5	85.9
ARMSTRONG DOCK	6.8	6.7	6.7	7.0	7.7	7.6	8.0	8.0	7.6	8.1	8.1	8.5	90.8
ARMSTRONG EQUALITY	3.4	3.4	3.2	3.3	3.2	3.1	3.3	3.5	3.1	3.1	3.4	3.1	39.0
ARMSTRONG LEWIS CREEK	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	42.0
ARMSTRONG MIDWAY	3.9	3.7	3.5	3.4	3.4	3.5	3.4	3.3	4.5	4.7	4.9	4.9	47.1
ARVIN ROLL COATER	3.6	3.6	3.5	3.5	3.6	3.5	3.5	3.6	3.6	3.6	3.5	3.5	42.6
DOMTAR	15.0	15.0	15.0	15.0	15.0	15.0	20.0	20.0	15.0	15.0	15.0	15.0	190.0
DOTKI	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	9.0
HOPKINS CO. COAL	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	4.3
KBI ALLOY	2.0	2.0	1.9	2.0	1.9	1.9	1.9	1.9	1.9	2.0	1.9	1.7	22.7
KIMBERLY CLARK	36.2	37.1	37.7	37.2	37.1	37.3	37.7	38.0	37.6	37.9	37.6	37.5	448.8
KMMMC, Inc./P&M/Cochise	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	1.7
PATRIOT COAL	3.0	3.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	63.0
Shell Oil JP Industrials	1.9	1.9	1.9	1.9	2.1	1.9	1.9	2.0	2.0	1.9	1.9	1.9	23.2
SOUTHWIRE COMPANY	6.8	6.8	6.8	6.9	7.0	7.0	7.2	7.1	7.3	7.1	7.0	7.0	84.1
TYSON	9.9	10.1	10.3	10.7	10.9	11.4	11.9	11.9	11.6	10.8	10.8	11.0	131.3
VALLEY	2.3	2.4	2.1	2.1	2.0	2.0	1.9	2.2	2.4	2.3	2.3	2.2	28.2
<b>TOTAL MEMBER NCP INDTL DEMAND</b>	<b>139.9</b>	<b>140.9</b>	<b>139.5</b>	<b>144.5</b>	<b>144.3</b>	<b>146.0</b>	<b>150.3</b>	<b>151.7</b>	<b>146.8</b>	<b>146.0</b>	<b>145.8</b>	<b>147.7</b>	<b>1,743.3</b>
ALCAN	368.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	368.0
CENTURY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
<b>TOTAL</b>	<b>1,003</b>	<b>579</b>	<b>526</b>	<b>470</b>	<b>524</b>	<b>616</b>	<b>659</b>	<b>644</b>	<b>593</b>	<b>475</b>	<b>544</b>	<b>607</b>	<b>7,240.1</b>



**DEMAND AND ENERGY BUDGET  
2014 - 2015**

	ENERGY (MWh) - 2014												TOTAL
	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	
KENERGY	116,734	100,127	92,643	77,483	83,884	101,801	119,149	117,105	91,517	83,622	91,597	114,720	1,180,381
JACKSON PURCHASE	63,057	53,197	49,931	42,476	47,971	58,735	68,324	66,265	50,279	44,271	48,576	61,807	654,890
MEADE COUNTY	52,839	44,633	39,401	30,200	30,930	36,902	43,565	42,480	32,366	30,705	37,656	50,922	472,601
DSM/FEE SAVINGS	(609)	(609)	(609)	(609)	(609)	(609)	(609)	(609)	(609)	(609)	(609)	(609)	(7,306)
<b>TOTAL MEMBER RURAL ENERGY</b>	<b>232,021</b>	<b>197,348</b>	<b>181,366</b>	<b>149,551</b>	<b>162,176</b>	<b>196,829</b>	<b>230,429</b>	<b>225,242</b>	<b>173,553</b>	<b>157,988</b>	<b>177,220</b>	<b>226,840</b>	<b>2,310,565</b>
ACCURIDE	1,916	2,346	2,563	2,359	2,385	2,223	2,461	2,356	2,114	2,179	2,083	1,901	26,887
ALCOA	111	96	84	78	78	72	73	103	107	104	102	119	1,126
ALERIS	15,601	14,964	14,621	15,308	15,667	15,482	15,901	15,432	15,221	15,178	13,697	14,357	181,430
ALLIED (STEMPORT)	2,650	2,650	2,650	2,885	3,209	1,931	2,252	2,892	2,539	2,797	2,665	2,776	31,794
ARMSTRONG DOCK	2,842	2,863	3,145	2,919	3,372	3,214	3,152	3,565	2,934	3,505	3,223	3,427	38,151
ARMSTRONG EQUALITY	1,529	1,558	1,622	1,568	1,452	1,504	1,538	1,593	1,386	1,544	1,386	1,439	18,131
ARMSTRONG LEWIS CREEK	1,432	1,294	1,432	1,386	1,432	1,386	1,432	1,432	1,386	1,432	1,386	1,432	16,863
ARMSTRONG MIDWAY	1,899	1,950	1,883	1,877	1,850	1,808	1,753	1,807	1,948	2,152	2,053	2,297	23,287
ARVIN ROLL COATER	1,197	1,344	1,519	1,372	1,550	1,640	1,623	1,692	1,288	1,438	1,275	1,033	16,971
DOMITAR	10,993	9,929	10,993	10,638	10,993	10,638	14,657	14,657	10,638	10,993	10,638	10,993	136,757
DOTIKI	279	252	279	270	279	270	279	279	270	279	270	279	3,285
HOPKINS CO. COAL	189	170	181	148	167	83	80	132	123	152	150	122	1,699
KBI ALLOY	692	652	685	595	684	632	626	694	450	640	494	505	7,350
KIMBERLY CLARK	24,703	24,394	26,524	25,784	24,771	25,299	26,335	26,844	25,213	26,611	26,109	26,240	308,827
KM/MC, Inc./P&M/Cochise	47	47	47	40	46	43	44	47	42	42	49	70	563
PATRIOT COAL	1,384	1,250	1,384	2,678	2,768	2,678	2,768	2,768	2,678	2,768	2,678	2,768	28,570
Shell Oil JP Industrials	380	290	253	587	581	315	195	425	532	580	518	600	5,256
SOUTHWIRE COMPANY	4,090	3,915	4,233	4,071	4,344	4,358	4,628	4,653	4,467	4,509	4,109	4,136	51,514
TYSON	5,457	5,486	6,083	5,521	5,710	6,294	6,639	6,813	5,937	6,256	5,560	5,573	71,329
VALLEY	1,024	1,094	955	916	923	904	864	1,027	1,238	1,090	986	978	11,996
<b>TOTAL MEMBER INDY ENERGY</b>	<b>78,415</b>	<b>76,553</b>	<b>81,136</b>	<b>81,001</b>	<b>82,261</b>	<b>80,675</b>	<b>87,299</b>	<b>89,212</b>	<b>80,510</b>	<b>84,245</b>	<b>79,444</b>	<b>81,045</b>	<b>981,796</b>
ALCAN	259,661	-	-	-	-	-	-	-	-	-	-	-	259,661
CENTURY	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>570,097</b>	<b>273,901</b>	<b>262,503</b>	<b>230,552</b>	<b>244,438</b>	<b>277,504</b>	<b>317,728</b>	<b>314,454</b>	<b>254,063</b>	<b>242,234</b>	<b>258,663</b>	<b>307,865</b>	<b>3,552,022</b>





**DEMAND AND ENERGY BUDGET  
2014 - 2015**

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	TOTAL
<b>BILLING DEMAND (MW) - 2015</b>													
KENERGY	249.3	221.9	188.1	167.9	196.6	243.4	262.8	255.3	233.3	171.2	204.0	233.3	2,637.0
JACKSON PURCHASE	136.0	119.1	108.9	94.4	114.1	142.3	153.7	147.2	131.6	94.3	111.7	128.7	1,482.0
MEADE COUNTY	113.1	99.9	82.5	66.0	71.8	87.6	95.7	93.1	84.3	66.1	85.4	100.7	1,046.1
DSM/EE SAVINGS	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(34.8)
<b>TOTAL MEMBER RURAL DEMAND</b>	<b>495.5</b>	<b>438.0</b>	<b>386.5</b>	<b>325.3</b>	<b>379.5</b>	<b>470.4</b>	<b>509.3</b>	<b>492.6</b>	<b>446.4</b>	<b>328.7</b>	<b>398.2</b>	<b>459.8</b>	<b>5,130.3</b>
ACCURIDE	4.9	5.0	5.0	5.2	5.2	5.4	5.5	5.4	5.1	5.0	5.0	5.1	61.8
ALCOA	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.8
ALERIS	28.2	28.2	26.8	27.7	27.0	28.4	26.6	26.8	27.4	26.4	26.6	27.8	328.0
ALLIED (STEMPORT)	7.2	7.2	7.2	7.7	7.6	7.3	6.6	7.2	6.9	7.0	6.8	7.5	85.9
ARMSTRONG DOCK	6.8	6.7	6.7	7.0	7.7	7.6	8.0	8.0	7.6	8.1	8.1	8.5	90.8
ARMSTRONG EQUALITY	3.4	3.4	3.2	3.3	3.2	3.1	3.3	3.5	3.1	3.4	3.4	3.1	39.0
ARMSTRONG LEWIS CREEK	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	42.0
ARMSTRONG MIDWAY	3.9	3.7	3.5	3.4	3.4	3.4	3.4	3.3	4.5	4.7	4.9	4.9	47.1
ARVIN ROLL COATER	3.6	3.6	3.5	3.5	3.6	3.5	3.5	3.6	3.6	3.6	3.5	3.5	42.6
DOMTAR	15.0	15.0	15.0	15.0	15.0	15.0	20.0	20.0	15.0	15.0	15.0	15.0	190.0
DOTIKI	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	9.0
HOPKINS CO. COAL	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	4.3
KBI ALLOY	2.0	2.0	1.9	2.0	1.9	1.9	1.9	1.9	1.9	2.0	1.9	1.7	22.7
KIMBERLY CLARK	36.2	37.1	37.7	37.2	37.1	37.3	37.7	38.0	37.6	37.9	37.6	37.5	448.8
KIMMC, Inc./P&W/Cochise	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	1.7
PATRIOT COAL	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	72.0
Shell Oil JP Industrials	1.9	1.9	1.9	1.9	2.1	1.9	1.9	2.0	2.0	1.9	1.9	1.9	23.2
SOUTHWIRE COMPANY	6.8	6.8	6.8	6.9	7.0	7.0	7.2	7.1	7.3	7.1	7.0	7.0	84.1
TYSON	9.9	10.1	10.3	10.7	10.9	11.4	11.9	11.9	11.6	10.8	10.8	11.0	131.3
VALLEY	2.3	2.4	2.1	2.1	2.0	2.0	1.9	2.2	2.4	2.3	2.3	2.2	26.2
<b>TOTAL MEMBER NCP INDL DEMAND</b>	<b>142.9</b>	<b>143.9</b>	<b>142.5</b>	<b>144.5</b>	<b>144.3</b>	<b>146.0</b>	<b>150.3</b>	<b>151.7</b>	<b>146.8</b>	<b>146.0</b>	<b>145.8</b>	<b>147.7</b>	<b>1,752.3</b>
ALCAN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
CENTURY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
<b>TOTAL</b>	<b>638.3</b>	<b>581.9</b>	<b>529.0</b>	<b>469.8</b>	<b>523.8</b>	<b>616.4</b>	<b>659.6</b>	<b>644.3</b>	<b>593.2</b>	<b>474.7</b>	<b>544.0</b>	<b>607.5</b>	<b>6,882.6</b>



**DEMAND AND ENERGY BUDGET  
2014 - 2015**

	ENERGY (MWh) - 2015												TOTAL
	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	
KENERGY	115,981	99,189	91,588	76,217	82,555	100,446	117,844	115,792	90,141	82,287	90,364	113,702	1,176,105
JACKSON PURCHASE	62,393	52,453	49,150	41,610	47,077	57,805	67,402	65,357	49,379	43,416	47,764	61,137	644,964
MEADE COUNTY	52,540	44,219	38,900	29,544	30,234	36,223	42,935	41,845	31,667	30,050	37,134	50,602	465,894
DSM/EE SAVINGS	(906)	(906)	(906)	(906)	(906)	(906)	(906)	(906)	(906)	(906)	(906)	(906)	(10,870)
<b>TOTAL MEMBER RURAL ENERGY</b>	<b>230,009</b>	<b>194,955</b>	<b>178,732</b>	<b>148,465</b>	<b>158,960</b>	<b>193,568</b>	<b>227,276</b>	<b>222,088</b>	<b>170,280</b>	<b>154,848</b>	<b>174,377</b>	<b>224,535</b>	<b>2,276,093</b>
ACCURIDE	1,916	2,346	2,563	2,359	2,385	2,223	2,461	2,356	2,114	2,179	2,083	1,901	26,887
ALCOA	111	96	84	78	78	72	73	103	107	104	102	119	1,128
ALERS	15,601	14,964	14,621	15,308	15,667	15,482	15,901	15,432	15,221	15,178	13,697	14,357	181,430
ALLIED (STEMFORT)	2,650	2,650	2,650	2,885	3,209	1,831	2,252	2,892	2,539	2,797	2,665	2,778	31,794
ARMSTRONG DOCK	2,842	2,863	3,145	2,919	3,372	3,214	3,152	3,565	2,934	3,505	3,223	3,427	38,161
ARMSTRONG EQUALITY	1,528	1,558	1,622	1,568	1,452	1,504	1,538	1,593	1,386	1,544	1,396	1,439	18,131
ARMSTRONG LEWIS CREEK	1,432	1,294	1,432	1,386	1,432	1,386	1,432	1,432	1,386	1,432	1,386	1,432	16,863
ARMSTRONG MIDWAY	1,899	1,860	1,883	1,877	1,850	1,808	1,753	1,807	1,948	2,152	2,053	2,297	23,287
ARVIN ROLL COATER	1,197	1,344	1,519	1,372	1,550	1,640	1,623	1,692	1,288	1,438	1,275	1,033	16,971
DOMTAR	10,993	9,929	10,993	10,638	10,993	10,638	14,657	14,657	10,638	10,993	10,638	10,993	136,757
DOTKI	279	252	278	270	279	270	279	279	270	279	270	279	3,285
HOPKINS CO. COAL	189	170	181	148	167	83	80	132	123	152	150	122	1,699
KBI ALLOY	692	652	685	595	684	632	626	694	450	640	494	505	7,350
KIMBERLY CLARK	24,703	24,394	26,524	25,784	24,771	25,299	26,335	26,844	25,213	26,611	26,109	26,240	308,827
KMMC, Inc./JP&M/Cochise	47	47	47	40	46	43	44	47	42	42	49	70	563
PATRIOT COAL	2,768	2,500	2,768	2,678	2,768	2,678	2,768	2,768	2,678	2,768	2,678	2,768	32,587
Shell Oil / JP Industrials	380	290	253	587	581	315	195	425	532	580	518	600	5,258
SOUTHWIRE COMPANY	4,090	3,915	4,233	4,071	4,344	4,358	4,628	4,653	4,467	4,509	4,109	4,136	51,514
TYSON	5,457	5,486	6,083	5,521	5,710	6,294	6,639	6,813	5,937	6,256	5,560	5,573	71,329
VALLEY	1,024	1,094	955	916	923	904	864	1,027	1,236	1,090	986	978	11,996
<b>TOTAL MEMBER IND'L ENERGY</b>	<b>79,798</b>	<b>77,803</b>	<b>82,520</b>	<b>81,001</b>	<b>82,261</b>	<b>80,675</b>	<b>87,299</b>	<b>89,212</b>	<b>80,510</b>	<b>84,245</b>	<b>79,444</b>	<b>81,045</b>	<b>985,814</b>
ALCAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CENTURY	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>309,807</b>	<b>272,758</b>	<b>281,252</b>	<b>227,466</b>	<b>241,221</b>	<b>274,243</b>	<b>314,575</b>	<b>311,298</b>	<b>250,790</b>	<b>239,093</b>	<b>253,820</b>	<b>305,580</b>	<b>3,261,907</b>

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

IN THE MATTER OF: THE APPLICATION OF BIG :  
RIVERS ELECTRIC CORPORATION FOR AN : Case No. 2013-00199  
ADJUSTMENT OF RATES :

**EXHIBIT\_(SJB-3)**  
**OF**  
**STEPHEN J. BARON**

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

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

**October 2013**

**BIG RIVERS ELECTRIC CORPORATION**

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR A  
GENERAL ADJUSTMENT IN RATES  
CASE NO. 2013-00199**

**Response to Commission Staff's Initial Request for Information  
Dated June 10, 2013**

**July 12, 2013**

1 **Item 51)** *Provide the average number of retail customers on the system (actual or*  
2 *projected), by rate schedule, for the base period and the three most recent calendar*  
3 *years.*

4

5 **Response)** Please see the schedule attached hereto, showing the retail customer  
6 information for Big Rivers' Members.

7

8 **Witness)** Billie J. Richert

9

**Big Rivers Electric Corporation**  
**Case No. 2013-00199**  
**Average Number of Retail Customers by Rate Schedule**  
**For the Base Period and Three Most Recent Calendar Years 2012, 2011 and 2010**

Kenergy Corp. Average Monthly Billing per Rate Code					
Line No.	Classification	Base Period	2012	2011	2010
1	Residential	45,337	45,229	45,294	45,201
2	Commercial Single Phase	9,125	9,053	8,823	8,749
3	Commercial Three Phase < 1000 kw	1,052	1,019	979	931
4	Commercial Three Phase > 1000 kw	15	15	14	13
5	Lighting	82	82	78	76
6	Direct Serves Class A	2	2	2	2
7	Direct Serves Class B	3	3	3	3
8	Direct Serves Class C	16	16	16	16
9	Total	55,632	55,419	55,209	54,991

**Big Rivers Electric Corporation**  
**Case No. 2013-00199**  
**Average Number of Retail Customers by Rate Schedule**  
**For the Base Period and Three Most Recent Calendar Years 2012, 2011 and 2010**

Jackson Purchase Energy Corporation Average Monthly Billing per Rate Code							
Line No.	Classification	Base Period	2012	2011	2010		
1	Outdoor Light Only	82	84	84	82		
2	1R	26,006	25,848	25,958	25,917		
3	2R	2,544	2,416	2,237	2,202		
4	3R	428	406	386	370		
5	7R	2	2	2	2		
6	8R	-	-	-	-		
7	9R	599	594	587	573		
8	Total	29,661	29,350	29,254	29,146		

**Big Rivers Electric Corporation**

**Case No. 2013-00199**

**Average Number of Retail Customers by Rate Schedule**

**For the Base Period and Three Most Recent Calendar Years 2012, 2011 and 2010**

Meade County Rural Electric Cooperative Corporation Average Monthly Billing per Rate Code						
Line No.	Classification	Base Period	2012	2011	2010	
1	Sch 3 & 8 FARM	23,381	23,167	23,114	23,294	
2	Sch 1 & 7 NON-FARM	3,003	3,095	3,013	2,680	
3	Sch 6 SCHOOLS & CHS	191	241	276	239	
4	Sch 2 SM COMMERCIAL	1,738	1,754	1,748	1,709	
5	Sch 3A 5 SM COMMERCIAL	-	-	1	1	
6	Sch 3 4 LG POWER	338	328	321	338	
7	Sch 6 PUBLIC STREET LIGHTS	6	7	6	9	
8	Total	<u>28,657</u>	<u>28,592</u>	<u>28,479</u>	<u>28,270</u>	