COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES	)	
COMPANY TO AMORTIZE, BY MEANS OF	)	
TEMPORARY DECREASE IN RATES, NET	)	CASE NO. 93-113
FUEL COST SAVINGS RECOVERED IN	)	
COAL CONTRACT LITIGATION	)	

DIRECT TESTIMONY

AND EXHIBIT

OF

LANE KOLLEN

ON BEHALF OF

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS

KENNEDY AND ASSOCIATES
ATLANTA, GEORGIA

SEPTEMBER 1993

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BEFORE THE		

DIRECT TESTIMONY OF LANE KOLLEN

<u>Qualifications</u>

Q. Please state your name and business address.

A. My name is Lane Kollen. My business address is Kennedy and Associates, Suite 475, 35 Glenlake Parkway, Atlanta, Georgia 30328.

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

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

Q. Please describe your education and professional experience.

A. I received my Bachelor of Business Administration in Accounting from the University of Toledo. I also received a Master of Business Administration from the University of Toledo. I am a Certified Management Accountant ("CMA") and a Certified Public Accountant ("CPA").

Since 1986, I have held various positions with Kennedy and Associates. I specialize in revenue requirements analyses, taxes, the evaluation of rate and financial impacts of traditional and non-traditional ratemaking, and other utility strategic, operational, financial, and accounting issues.

From 1983 to 1986, I held various positions with the consulting group at Energy Management Associates. I specialized in utility finance, utility accounting issues, and computer financial modeling. I also directed consulting and software projects utilizing PROSCREEN II and ACUMEN proprietary software products to support utility rate case filings, budgets, internal management and external reporting, and strategic and financial analyses.

From 1976 to 1983, I held various positions with The Toledo Edison Company in the Accounting and Corporate Planning Divisions. From 1980 to 1983, I was responsible for the Company's financial modeling and financial evaluation of the Company's strategic plans. In addition, I was responsible for the preparation of the capital budget, various forecast filings with regulatory agencies, and assistance in rate and other strategy formulation. I utilized the strategic planning model PROSCREEN II, the production costing model, PROMOD III, and other software products to evaluate capacity swaps, sales, sale/leasebacks, cancellations, write-offs, unit power sales, and long term system sales, among other strategic options. From 1976 to 1980, I held various other positions in the Budget and Accounting Reports, Property Accounting, Tax Accounting, and Internal Audit sections of the Accounting Division.

I have appeared as an expert witness on accounting, finance, and planning issues before regulatory commissions and courts in numerous states on more than fifty occasions. In addition, I have developed and presented papers at various industry conferences on utility rate, accounting, and tax issues. My qualifications and regulatory appearances are further detailed in my Exhibit ___ (LK-1).

Q. Please describe the firm of Kennedy and Associates.

A. Kennedy and Associates provides consulting services in the electric, gas, and telecommunications utilities industries. Our clients include state agencies and industrial electricity and gas consumers. The firm provides expertise in system planning, load forecasting, financial analysis, revenue requirements, cost of service, and rate design.

Summary

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

A. I am testifying on behalf of the Kentucky Industrial Utility Customers ("KIUC").

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address the level of the South East Coal Company litigation refund proposed by Kentucky Utilities ("KU") in this proceeding and to identify and recommend appropriate adjustments to that proposed refund.

Q. Please summarize your testimony.

A. I recommend that the Commission direct KU to refund $35.786 million to its ratepayers as the result of KU's successful resolution of the South East Coal Company contract litigation. This compares to the $32.775 million amount proposed by KU. The difference is due to the proposed KU offset of $3.011 million for attorneys' fees and other costs associated with the litigation, which serves to directly and improperly reduce the refund.

The Commission should reject KU's proposed litigation cost offset to the refund for several reasons. First, KU has a regulatory obligation to not incur imprudent and excessive fuel or other costs. KU is not entitled to a reward for taking prudent action to renegotiate, and subsequently litigate, a contract that reflected excessive and unreasonable coal costs. Further, KU was prodded into this litigation by its regulators and customers.

Second, specific recovery of the litigation costs incurred and expensed by KU in prior years would constitute improper retroactive ratemaking, absent extraordinary circumstances or specific Commission authorization to defer those expenses for future base rate consideration. Not only would it constitute improper retroactive ratemaking but it would be the equivalent of a single issue base rate case piggybacked into a fuel refund proceeding. The recovery of base rate expenses are properly determined in general base rate proceedings, not in fuel proceedings. Further, base ratemaking costs, unlike fuel costs, are not tracked for comparison to actual and there is generally no after the fact true up.

The $32.775 million refund proposed by KU also reflects a $2.194 million offset to exclude the intersystem sales arguably allocable to the Kentucky regulated retail jurisdiction. This offset can be considered by the Commission as an income item belonging to KU for all the same reasons that litigation costs should not be recoverable retroactively from ratepayers or in a fuel proceeding. Alternatively, the offset can be considered as an allocation issue.

As an allocation issue, intersystem sales are considered fully regulated in the base ratemaking process. The fact that intersystem sales are excluded from the fuel clause does not create a basis to allocate a portion of the refund to a nonexistent and nonregulated jurisdiction.

If the Commission considers the intersystem sales offset to be an allocation issue, then the Commission should direct KU to refund $37.980 million to its ratepayers.

<u>KU is Not Entitled to a Reward for Obligatory Performance</u>

Q. Please describe the "reward" sought by KU in this proceeding.

A. KU has requested two rewards from the Commission for its successful litigation of the South East coal contract. First, it requests recovery of its litigation costs including attorneys' fees since 1984 (Exhibit F attached to Application). Second, it requests that it be allowed to retain the Kentucky retail jurisdictional portion of the effect on its intersystem sales for the same time period. These two rewards total $5.205 million, consisting of $3.011 million for litigation costs and $2.194 million for intersystem sales.

Q. Is it appropriate for the Commission to reward KU in this manner for its efforts?

A. No. KU should not be rewarded by recovery of its litigation costs. First, KU was simply fulfilling its regulatory obligation. Second, its actions were motivated by self-interest in order to mitigate the risk of a regulatory disallowance of the excessive contract costs and were not inherently motivated by the interests of the ratepayers. KU did not sue South East until June 1984 and then only after the Kentucky Commission and the FERC in 1983 commenced investigations into the high level of costs under the South East contract and also only after certain of its wholesale customers filed a complaint in May 1984 with the FERC over the costs under the contract.

Third, incremental rewards beyond cost recovery should only be available if there is actual and material risk of <u>nonregulatory</u> loss to the Company. KU has not demonstrated that such a risk existed.

Q. What is KU's regulatory obligation to its ratepayers?

A. KU has an obligation, imposed and enforced by the regulatory process, to not incur imprudent and excessive costs. This obligation imposes both inherent rewards and penalties. In the case of the fuel clause, it provides for the reward through largely automatic and timely cost recovery of prudently incurred costs. The regulatory obligation also provides for the penalty through disallowance in the event of imprudent or excessive costs.

Q. Did the contract between KU and South East Coal Company result in excessive coal costs?

A. Yes. There is agreement on this issue among KU, its ratepayers, and the courts. Following failed attempts to "review" the contract price with South East Coal, KU sued South East seeking a price reduction of $19 per ton on the basis that the contract prices were excessive. The settlement agreement, approved by the court, as well as earlier court orders, recognized that the contract prices were excessive.

Q. What was the risk of loss to KU?

A. Because of KU's regulatory obligation, the primary risk of loss to KU was not the South East contract litigation, but rather the risk of regulatory recovery disallowance if it did not take all necessary and prudent measures to obtain price reductions. Although it reduced payment to South East in April 1985 by $10 per ton (later increased to $11.30 per ton), KU continued to recover from its ratepayers the full excessive South East invoice amounts for four more years until March 1989. Contrary to the assertion of KU that it had assumed significant litigation risk, it was clearly the ratepayers that KU held at risk and the ratepayers who continued to pay the excessive costs. KU should not be rewarded for the risk assumed and costs incurred by its ratepayers.

Q. Please describe the regulatory environment prior to the initiation of the South East litigation by KU.

Q. KU was apparently prodded into the litigation by the combination of Kentucky and FERC investigations and the filing of a complaint before the FERC by certain of its wholesale customers. The regulatory investigations occurred during 1983 and early 1984. The complaint was filed by KU's customers in May 1984. KU finally sued South East in June 1984.

The following excerpt is from KU's 1986 annual report to shareholders:

> **"In January 1983, the PSC commenced combined hearings to review the two-year period ended October 31, 1982 and the six-month period ended October 31, 1982 and to re-index the retail fuel clause base. In connection with that proceeding, the PSC has under investigation the Company's fuel procurement practices and costs relating to coal supply arrangements with two coal suppliers. In August 1983, the PSC entered an interim order holding the investigation in abeyance pending further review. The PSC has entered interim orders in subsequent fuel clause hearings stating that final orders will not be issued until the investigation is concluded. The PSC has indicated that it will not conclude its investigation until litigation between the Company and one of the two coal suppliers is resolved.**
>
> **In May 1984, certain of the Company's wholesale municipal customers filed a complaint with the Federal Energy Regulatory Commission (FERC) alleging imprudence by the Company in its coal procurement practices and policies. The complainants are seeking refunds of that portion, if any, of fuel costs passed through the Company's wholesale fuel adjustment clause which is found not to have been just, reasonable and prudently incurred. The Company has filed a response with the FERC specifically denying all allegations of the complaint. Hearings before the FERC are pending. The complainants have alleged that the Company incurred approximately $96 million through mid-1984 in imprudent fuel costs under the two coal supply agreements which are also the subject of the PSC investigation. Of that sum, the portion of alleged imprudent fuel costs associated with the Company's wholesale customers, including the complainants, is approximately $18 million. The FERC staff has submitted testimony which supports certain of the complainant's allegations. The staff testimony alleges that, with respect to one of the coal supply agreements, the Company incurred imprudent fuel costs of at least $28 million and as much as**

$65 million through mid-1984." (Moody's Public Utility Manual, 1986, page 956.)

Q. What bearing does this historical perspective have on your recommendation?

Q. My recommendation is that KU not be provided a reward for taking prudent action in accordance with its regulatory obligation. Viewed from the historical context, it is clear that KU did not pursue the South East litigation solely in the interests of its ratepayers. Instead, it acted to mitigate its regulatory risk, which was the potential penalty of a disallowance for failure to take prudent action to reduce excessive and unreasonable costs. A utility that simply fulfills its regulatory obligation in response to regulatory and customer actions does not deserve an incremental reward.

<u>KU is Not Entitled to Improper Retroactive Recovery of Costs</u>

Q. Please describe the retroactive recovery sought by KU.

A. KU seeks specific recovery of the costs it incurred in the South East Coal contract litigation. These costs were incurred for outside services including attorneys' fees over a nine year period from 1984 through 1992. The total litigation costs were $3.797 million, an average of $0.422 million per year.

Q. Is retroactive recovery of costs an accepted regulatory practice?

A. No. It is not accepted regulatory practice for costs normally subject to recovery only through the base ratemaking process. In fact, in KU's most recent fuel proceeding before this Commission, even KU argued against what it characterized as improper retroactive ratemaking through the fuel adjustment clause process.

Q. **Is there some distinction between costs subject to the base ratemaking process and the fuel adjustment clause process?**

A. Yes. There is a clear distinction. Base ratemaking costs (such as litigation costs) are properly considered within the context of a test year and are utilized as the basis for establishing prospective base rates. The setting of prospective base rates is a quasi-legislative function which the Kentucky legislature has conferred upon the Commission by statute. Unless there has been fraud or misrepresentation, base rates set by the Commission must be prospective and cannot retroactively consider past revenues or expenses. Base rates are not trued up to actual costs and if the prospective base rates established by the Commission turn out to be too high or too low, the utility reaps the benefit or suffers the loss.

By contrast, the fuel clause process provides for a direct recovery of actual prudently incurred fuel costs. The fuel clause is by its very nature a backwards looking, or retrospective process. Absent fraud or misrepresentation, the Commission's fuel adjustment clause regulation requires that fuel costs be trued up every two years. If fraud or misrepresentation exists, the Commission is not limited to the defined two year period. To the extent there are imprudent and/or excessive fuel costs, there are subsequent adjustments to actual, prudent, and reasonable costs.

Q. **Please describe KU's argument against what it characterized as improper retroactive ratemaking in its most recent fuel proceeding.**

A. KU owned railroad cars to carry coal to the Ghent 3 plant and recovered the depreciation on those cars through the Kentucky retail fuel clause. It discontinued the use of the cars after they were essentially fully depreciated. It then leased the cars to third parties on two separate occasions, attempting to retain the lease rental income for its shareholders by reporting it below the line. Subsequently, KU was able to sell the cars at a substantial gain, which it also reported below the line. KU argued that neither of these items should be passed through to ratepayers through the fuel clause, despite the fact that it actually recovered the investment cost through the fuel clause. It argued that to do so would constitute improper retroactive ratemaking for a unique circumstance.

Q. What is the relevance of that issue to this proceeding?

A. Quite frankly, it illustrates the inconsistency and expediency of KU's position in this proceeding. First, KU argued in the fuel clause proceeding that income or gains achieved by it are off-limits due to the general prohibition against retroactive ratemaking. Yet, KU argues in this proceeding that costs it has selectively identified and that it incurred over the last nine years are somehow properly recoverable from ratepayers. According to KU, only prior period gains and income are subject to the prohibition against retroactive ratemaking, while prior period costs are not. That is patently inconsistent.

Second, KU argued in the fuel clause proceeding that the rental income and the gains should not be returned through the fuel clause since it was a base ratemaking cost, despite the fact that it originally recovered the capital cost through the fuel clause. In this proceeding, KU argues for the Commission to selectively consider a base ratemaking cost as a fuel related cost. That is patently inconsistent.

Third, KU argued in the fuel clause proceeding that the lease rental income and the gain represented a unique circumstance and that it should be allowed to retain that income. In this proceeding, KU ignored that argument, despite the fact that the refund resulting from this litigation also represents a unique circumstance. Again, that is patently inconsistent.

Finally, this comparison illustrates the expediency of KU's positions in both proceedings by demonstrating both the lack of consistency and the lack of underlying principle. The only consistency in KU's position is in the end result sought. KU's position is that it should benefit from both the retention of income and gains achieved in prior periods and the recovery of costs from prior periods.

Q. What level of litigation costs did the Commission allow KU in Case No. 8624, the Company's last base rate proceeding, and what is the relevance of that level of costs to this proceeding?

A. KU objected to providing this information in response to discovery. (KIUC First Set, Q2a, b, c, d) stating:

> **"Objection. The information requested is neither relevant nor material to any issue in this proceeding and its disclosure could not lead to admissible evidence in this proceeding. . ."**

I agree with KU's assertion that the information sought is not relevant to any issue in this proceeding. That is because the real issue is whether KU will be allowed to retroactively recover base ratemaking costs from the last nine years as a single issue base rate case in this fuel refund proceeding. The level of recovery allowed in KU's last base rate case is indeed irrelevant and thus KU should be precluded from offering evidence of that nature in this proceeding. That will keep the focus on the real issue.

Q. Previously you stated that base ratemaking costs should not be recovered retroactively absent extraordinary circumstances. Please describe what would constitute extraordinary circumstances.

A. Other than situations where the Commission has established rates on the basis of fraudulent or intentionally misleading information, any deviation from this established ratemaking principle generally requires a demonstration of extreme financial need or a demonstration of severe financial harm. The demonstration of either of these extraordinary circumstances requires an evaluation of the financial health of the utility.

Q. Do either of these extraordinary circumstances exist with respect to KU?

A. No. The Company has asserted neither extreme financial need nor severe financial harm. In fact, quite the contrary circumstances currently exist and have historically existed for the period 1984 - 1992. There was and is no extraordinary circumstance of severe financial need. Particularly since 1987, KU has enjoyed robust returns, arguably higher than would have been or are required under current interest rates and capital costs. I have computed the earned returns on average common equity (based upon the simple average of beginning and year end common equity) for Kentucky Utilities Company during the period 1984 - 1992.

KENTUCKY UTILITIES COMPANY
EARNED RETURNS ON COMMON EQUITY

1984	13.1%
1985	12.1%
1986	11.9%
1987	14.0%
1988	15.2%
1989	17.3%
1990	13.9%
1991	14.6%
1992	13.4%

Q. **Did the average annual amount of South East litigation costs cause severe financial harm historically to KU during the 1984 - 1992 period?**

A. No. The average annual amount of $0.422 million in litigation costs was immaterial to KU's financial results during the period. The maximum annual effect of the average amount was less than three tenths of one percent on KU's earnings and less than one tenth of one percent on KU's operating expenses.

In addition, KU has not filed for a general base rate increase since the Case No. 8624 order was issued in March 1983. This would be a strong indication that KU itself did not consider the litigation costs to have resulted in extreme financial need or to have caused severe financial harm.

Q. Would the denial of KU's request for selective retroactive recovery of its litigation costs cause severe financial harm currently to KU?

A. No. The litigation costs have already been expensed by KU. The full and proper amount of the refund is segregated in a special bank account awaiting regulatory disposition. Thus, there can be no current harm to either expense or cash flow, let alone severe financial harm, if KU's request for a litigation cost offset is denied.

<u>Different Perspectives on Intersystem Sales</u>

Q. Please describe the two different perspectives on intersystem sales.

A. On the surface, there is significant similarity between the litigation costs incurred and the intersystem sales achieved by KU subsequent to its last base rate increase primarily because both are base ratemaking items. From that perspective, it would be appropriate for the Commission to disallow the litigation cost offset but to allow KU to retain the income from intersystem sales achieved during the same prior period. That is my recommendation.

However, the Commission may consider the intersystem sales offset to be an allocation issue, in which case the intersystem sales portion of the total refund should be allocated between the only two regulated jurisdictions in which KU operates, the FERC wholesale and the Kentucky retail.

Intersystem Sales are Regulated for Allocation Purposes

Q. Please describe the treatment of intersystem sales by KU in the allocation of the refund.

A. KU has allocated the refund amount between Kentucky retail, FERC wholesale, and intersystem sales. It proposes to retain the allocation to intersystem sales as one of its rewards.

Q. If the Commission considers the proposed intersystem sales offset to be an allocation issue, should there be an allocation to a third nonregulated "intersystem sales" jurisdiction?

A. No. The refund should be allocated between the only two regulatory jurisdictions that exist for KU. There is no nonregulated "intersystem sales" jurisdiction. KU has utilized the fact that intersystem sales are excluded from the Kentucky retail fuel clause process to assert a third nonexistent jurisdiction. However, this ignores the fact that intersystem sales are included in the base ratemaking process and are there allocated between the two regulatory jurisdictions.

Q. Have you quantified the effect of allocating the intersystem sales effect to the Kentucky retail and FERC wholesale jurisdictions?

A. Yes. The effect would be to increase the Kentucky retail allocation by $2.194 million to $37.980 million in total. I have utilized KU Exhibit No. ____ RMH Schedule 2 page 1 of 2 to allocate the sum of $2.570 million in intersystem "Fuel

Savings" (column 2) and $0.037 million in "Additional Interest" (column 5) between the Kentucky retail and FERC wholesale jurisdictions on a pro rata basis. I then added that $2.194 million incremental allocation to the $35.273 million Kentucky retail "Fuel Savings" before the KU-proposed reduction for litigation costs (column 2) and to the $0.513 million Kentucky retail "Additional Interest" (column 5).

Q. Does this complete your testimony?

A. Yes.

Lane Kollen

State of Georgia
County of Fulton

Subscribed and sworn to before me, a notary public in and for the State and County aforesaid.

My commission expires:

Notary Public, Cobb County, Georgia.
My Commission Expires January 26, 1997.

Date: September 2, 1993

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KENNEDY AND ASSOCIATES
ATLANTA, GEORGIA

SEPTEMBER 1993

RESUME OF LANE KOLLEN, VICE PRESIDENT

EDUCATION

University of Toledo, BBA
Accounting

University of Toledo, MBA

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Certified Management Accountants

Institute of Management Accountants

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

RESUME OF LANE KOLLEN, VICE PRESIDENT

EXPERIENCE

1986 to Present: Kennedy and Associates: Vice President and Principal. Responsible for utility revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Minnesota, North Carolina, Ohio, Pennsylvania, Texas, and West Virginia Public Service Commissions and the Federal Energy Regulatory Commission.

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

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

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

RESUME OF LANE KOLLEN, VICE PRESIDENT

CLIENTS SERVED

Industrial Companies and Groups

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

Regulatory Commissions and Government Agencies

Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
New York State Energy Office
Office of Public Utility Counsel (Texas)

RESUME OF LANE KOLLEN, VICE PRESIDENT

Utilities

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

Expert Testimony Appearances
of
Lane Kollen
As of April 1993

Date	Case	Jurisdict.	Party	Utility	Subject
10/86	U-17282 Interim	LA	LPSC Staff	Gulf States Utilities	Cash Revenue Requirements Financial Solvency.
11/86	U-17282 Interim Rebuttal	LA	LPSC Staff	Gulf States Utilities	Cash Revenue Requirements Financial Solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp	Revenue Requirements Accounting Adjustments Financial Workout Plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	LPSC Staff	Gulf States Utilities	Cash Revenue Requirements Financial Solvency.
3/87	General Order 236	WV	W. Va. Energy Users Group	Monongahela Power	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	LPSC Staff	Gulf States Utilities	Prudence of River Bend 1 Economic Analyses, Cancellation Studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power	Tax Reform Act of 1986.
5/87	86-524-E-	WV	West Virginia Energy Users' Group	Monongahela Power	Revenue Requirements. Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	LPSC Staff	Gulf States Utilities Financial Solvency.	Revenue Requirements, River Bend 1 Phase-in Plan,
7/87	U-17282 Case In Chief Surrebut	LA	LPSC Staff	Gulf States Utilities Financial Solvency.	Revenue Requirements River Bend 1 Phase-in Plan,
7/87	U-17282 Prudence Surrebut	LA	LPSC Staff	Gulf States Utilities	Prudence of River Bend 1, Economic Analyses, Cancellation Studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power	Revenue Requirements, Tax Reform Act of 1986.
8/87	9885	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corporation	Financial Workout Plan.
8/87	E-015/GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light	Revenue Requirements, O&M Expense, Tax Reform Act of 1986.

Expert Testimony Appearances
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As of April 1993

Date	Case	Jurisdict.	Party	Utility	Subject
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue Requirements, O&M Expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Conn. Industrial Energy Consumers	Conn. Light and Power	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	LPSC Staff	Gulf States Utilities	Revenue Requirements, River Bend 1 Phase-in Plan, Rate of Return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Elec.	Economics of Trimble County Completion.
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Elec.	Revenue Requirements, O&M Expense, Capital Structure, Excess Deferred Income Taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers	Financial Workout Plan.
5/88	M-87017 -1C001	PA	GPU Industrial Intervenors	Metropolitan Edison	Nonutility Generator Deferred Cost Recovery.
5/88	M-87017 -2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric	Nonutility Generator Deferred Cost Recovery.
6/88	U-17282	LA 19th Judicial District Ct.	LPSC Staff	Gulf States Utilities	Prudence of River Bend 1 Economic Analyses, Cancellation Studies, Financial Modeling.
7/88	M-87017- -1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison	Nonutility Generator Deferred Cost Recovery, SFAS No. 92
7/88	M-87017- -2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric	Nonutility Generator Deferred Cost Recovery, SFAS No. 92
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power	Excess Deferred Taxes, O&M Expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Elec.	Premature Retirements, Interest Expense.
10/88	88-170-EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric	Revenue Requirements, Phase-In, Excess Deferred Taxes, O&M Expenses, Financial Considerations, Working Capital.

Expert Testimony Appearances
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Lane Kollen
As of April 1993

Date	Case	Jurisdict.	Party	Utility	Subject
10/88	88-171-EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison	Revenue Requirements, Phase-In, Excess Deferred Taxes, O&M Expenses, Financial Considerations, Working Capital.
10/88	8800 355-EI	FL	Florida Industrial Power Users Group	Florida Power & Light	Tax Reform Act of 1986, Tax Expenses, O&M Expenses, Pension Expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Staff	Atlanta Gas Light	Pension Expense (SFAS No. 87).
11/88	U-17282 Remand	LA	LPSC Staff	Gulf States Utilities	Rate Base Exclusion Plan (SFAS No. 71)
12/88	U-17970	LA	LPSC Staff	AT&T Comm. of South Central States	Pension Expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	LPSC Staff	South Central Bell	Compensated Absences (SFAS No. 43), Pension Expense (SFAS No. 87), Part 32, Income Tax Normalization.
2/89	U-17282 Phase II	LA	LPSC Staff	Gulf States Utilities	Revenue Requirements, Phase-in of River Bend 1, Recovery of Cancelled Plant.
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic Analyses, Incremental Cost of Service, Average Customer Rates.
7/89	U-17970	LA	LPSC Staff	AT&T Comm. of South Central States	Pension Expense (SFAS No. 87), Compensated Absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Company	Cancellation Cost Recovery, Tax Expense, Revenue Requirements.
8/89	3840-U	GA	GPSC Staff	Georgia Power Company	Promotional Practices, Advertising, Economic Development.
9/89	U-17282 Phase II Detailed	LA	LPSC Staff	Gulf States Utilities	Revenue Requirements Detailed Investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power	Deferred Accounting Treatment, Sale/Leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power	Revenue Requirements, Imputed Capital Structure, Cash Working Capital.

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Date	Case	Jurisdict.	Party	Utility	Subject
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric	Revenue Requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric	(1) Revenue Requirements, (2) Sale/Leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	LPSC Staff	Gulf States Utilities	Revenue Requirements Detailed Investigation.
1/90	U-17282 Phase III	LA	LPSC Staff	Gulf States Utilities	Phase-In of River Bend 1, Deregulated Asset Plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M Expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M Expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19th Judicial District Ct.	LPSC Staff Utilities Co.	Gulf States of Utility Assets.	Fuel Clause, Gain on Sale
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric	Revenue Requirements, Post-Test Year Additions, Forecasted Test Year.
12/90	U-17282 Phase IV	LA	LPSC Staff	Gulf States Utilities	Revenue Requirements Issues.
3/91	29327, et. al.	NY	Multiple Intervenors	Niagara Mohawk Power Corp.	Incentive Regulation.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial Modeling, Economic Analyses, Prudence of Palo Verde 3.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Matls. Co., The West Penn Power Industrial Users Group	West Penn Power Co.	Recovery of CAAA Costs, Least Cost Financing.
9/91	91-231 -E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA Costs, Least Cost Financing.
11/91	U-17282	LA	LPSC Staff	Gulf States Utilities	Asset Impairment, Deregulated Asset Plan, Revenue Requirements Issues.

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12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas and Electric Co.	Revenue Requirements Issues, Phase-In Plan.
12/91	10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Company	Financial Integrity, Company Strategic Planning and Declined Business Affiliations.
5/92	910890-EI	FL	Occidental Chemical	Florida Power Corp.	Revenue Requirements, O&M Expense, Pension Expense, OPEB Expense, Fossil Dismantling, Nuclear Decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Company	Incentive Regulation, Performance Rewards, Purchased Power Risk, OPEB Expense
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB Expense.
9/92	920324-EI	FL	Florida Industrial Power Users Group	Tampa Electric Co.	OPEB Expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB Expense.
9/92	910840-PU	FL	Florida Industrial Power Users Group	Generic Proceeding	OPEB Expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB Expense.
11/92	U-19904	LA	Louisiana Public Service Comm.	Gulf States Utilities/Entergy Corp.	Merger.
11/92	8649	MD	Westvaco Corp. Eastalco Aluminum Co.	Potomac Edison Co.	OPEB Expense.
11/92	92-1715-AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB Expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive Regulation, Performance Rewards, Purchased Power Risk, OPEB Expense.
12/92	U-19949	LA	Louisiana Public Service Comm. Staff	South Central Bell	Affiliate Transactions, Cost Allocations, Merger.
12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	OPEB Expense.

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1/93	8487	MD	Maryland Industrial Group Bethlehem Steel Corp.	Baltimore Gas & Electric Co.	OPEB Expense, Deferred Fuel, CWIP in Rate Base.
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to overcollection of taxes on Marble Hill Cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	OPEB Expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Comm. Staff	Gulf States Utilities/Entergy Corp.	Merger.
3/93	93-01 EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate Transactions.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Comm. Staff	Gulf States Utilities/Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas	Revenue Requirements issues, Phase-in Plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Comm. Staff	Gulf States Utilities/Entergy Corp.	Merger.