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October 28, 2008

**VIA HAND-DELIVERY**

Stephanie Stumbo, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

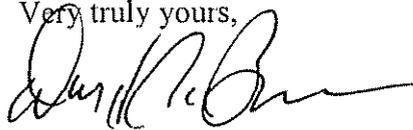
David C. Brown  
(502) 681-0421  
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dbrown@stites.com

RE: Application of Louisville Gas & Electric Company for an Adjustment of Base Rates; Case No. 2008-00251

Dear Ms. Stumbo:

Enclosed for filing in the above docket, please find the original and ten (10) copies of the Verified Testimony on behalf of The Kroger Company.

Very truly yours,



David C. Brown

DCB/dab

Enclosure

KR091:00KR1:706976:1:LOUISVILLE

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the Verified Testimony on behalf of The Kroger Company was served via U.S. mail, first-class, postage prepaid, this 28<sup>th</sup> day of October, 2008 upon the following persons:

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David C. Brown  
Counsel for The Kroger Company

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PUBLIC SERVICE  
COMMISSION

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

Application of Kentucky Utilities Company     )  
For an Adjustment of Base Rates             )     Case No. 2008-00251

**PREFILED DIRECT TESTIMONY OF  
KEVIN C. HIGGINS  
ON BEHALF OF THE KROGER CO.**

October 28, 2008



1           Prior to joining Energy Strategies, I held policy positions in state and local  
2 government. From 1983 to 1990, I was economist, then assistant director, for the  
3 Utah Energy Office, where I helped develop and implement state energy policy.  
4 From 1991 to 1994, I was chief of staff to the chairman of the Salt Lake County  
5 Commission, where I was responsible for development and implementation of a  
6 broad spectrum of public policy at the local government level.

7 **Q. Have you previously testified before this Commission?**

8 A.           Yes. Earlier this year I testified in the Commission's energy efficiency  
9 proceeding, Administrative Case No. 2007-00477. In 2007 and 2008, I testified  
10 in the East Kentucky Power Cooperative general rate proceeding, Case No. 2006-  
11 00472. In 2006, I testified in the Duke Energy Kentucky general rate proceeding,  
12 Case No. 2006-00172.

13 **Q. Have you testified before utility regulatory commissions in other states?**

14 A.           Yes. I have testified in more than one hundred proceedings on the subjects  
15 of utility rates and regulatory policy before state utility regulators in Alaska,  
16 Arizona, Arkansas, Colorado, Georgia, Idaho, Illinois, Indiana, Kansas, Michigan,  
17 Minnesota, Missouri, Montana, Nevada, New Mexico, New York, Ohio,  
18 Oklahoma, Oregon, Pennsylvania, South Carolina, Utah, Virginia, Washington,  
19 West Virginia, and Wyoming.

20           A more detailed description of my qualifications is contained in  
21 Attachment A, appended to my direct testimony.

22

1 **Overview and Recommendations**

2 **Q. What is the purpose of your testimony in this proceeding?**

3 A. My testimony addresses the proposed rate spread for any change in KU's  
4 revenue requirement.

5 **Q. Please summarize your conclusions and recommendations.**

6 (1) KU's proposed rate spread proposal falls within the bounds of  
7 reasonableness at the revenue requirement requested by the Company.

8 (2) If the revenue requirement approved by the Commission is less than  
9 that requested by KU, then the rate spread proposed by KU for its requested  
10 revenue requirement should be the starting point for spreading the approved  
11 revenue change. Specifically, the revenue apportionment produced by KU's rate  
12 spread should be used as the basis for spreading any smaller revenue change.

13

14 **Rate Spread**

15 **Q. What general guidelines should be employed in spreading any change in  
16 rates?**

17 A. In determining rate spread, or revenue apportionment, it is important to  
18 align rates with cost causation, to the greatest extent practicable. Properly aligning  
19 rates with the costs caused by each customer group is essential for ensuring  
20 fairness, as it minimizes cross subsidies among customers. It also sends proper  
21 price signals, which improves efficiency in resource utilization.

22 At the same time, it can be appropriate to mitigate the impact of moving  
23 immediately to cost-based rates for customer groups that would experience

1 significant rate increases from doing so. This principle of ratemaking is known as  
2 “gradualism.” When employing this principle, it is important to adopt a long-term  
3 strategy of moving in the direction of cost causation, and to avoid approaches that  
4 result in permanent cross-subsidies from other customers.

5 **Q. What general approach to electric rate spread does KU recommend?**

6 As described by KU witness William Steven Seelye, the Company is  
7 attempting to bring class rates of return more in line, while taking into  
8 consideration the principle of gradualism.

9 **Q. What is your assessment of KU's proposed approach to rate spread?**

10 A Although it would have been reasonable for KU to take a stronger step in  
11 the direction of cost-of-service for the classes with relative rates of return  
12 significantly divergent from 1.00,<sup>1</sup> I have concluded that the Company's proposal  
13 falls within the bounds of reasonableness at the revenue requirement requested by  
14 the Company. Consequently, if the Company's requested revenue requirement is  
15 adopted by the Commission, then I would support the rate spread proposed by  
16 KU.

17 **Q. What do you recommend if the revenue requirement approved by the  
18 Commission is less than that requested by PSE?**

19 A. If the revenue requirement approved by the Commission is less than that  
20 requested by KU, then the rate spread proposed by KU for its requested revenue  
21 requirement should be the starting point for spreading the approved revenue

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<sup>1</sup> Relative rate of return is calculated by dividing the class rate of return by the total system rate of return.

1 change. Specifically, the revenue apportionment produced by KU's rate spread  
2 should be used as the basis for spreading the smaller revenue change.

3 **Q. Please explain your recommendation further.**

4 A. When I refer to the "revenue apportionment produced by KU's rate  
5 spread" I am referring to each class's percentage share of total revenue  
6 requirement (excluding miscellaneous revenues) that results from that spread. For  
7 example, under KU's proposed spread, Residential customers would pay 38.32  
8 percent of the total revenue requirement, excluding miscellaneous revenues. If the  
9 Commission agrees that KU's proposed rate spread is reasonable, then by  
10 extension, the corresponding revenue apportionment is reasonable as well.

11 My recommendation is to retain the percentage revenue apportionment  
12 that results from KU's rate spread and to apply this revenue apportionment to  
13 whatever final revenue requirement is approved by the Commission. This type of  
14 approach (determining a reasonable revenue apportionment first, then applying it  
15 to the resulting revenue requirement) is standard in some jurisdictions such as  
16 Minnesota, and was recently adopted in a proceeding in Washington. The  
17 advantage of this approach is that it balances the application of gradualism with  
18 moving toward cost-of-service. If there is a determination that a given revenue  
19 apportionment reasonably accomplishes this balance, then this balance should be  
20 retained for a range of different revenue requirements. My recommendation  
21 accomplishes this objective.

22 **Q. Do you have an example to illustrate how your approach would work?**

1 A. Yes. An example is presented in Higgins Exhibit I. In this example, the  
 2 revenue apportionment associated with KU's proposed spread is first determined.  
 3 Next, we assume that the Commission approves a 2 percent revenue decrease  
 4 rather than the 1.81 percent increase requested by the Company. The resulting rate  
 5 spread is then calculated by holding the revenue apportionment constant. The  
 6 results are summarized in Table KCH-1, below.

7 **Table KCH-1**  
 8 **Kroger Recommended Spread Approach:**  
 9 **Example Assuming 2% Decrease in Revenue Requirement**  
 10

Line No.		Percent Change at KU Proposed Revenue Change	KU Proposed Revenue	Class % of Proposed Revenue	Revenue at Rate Change -2%	Percent Change at -2% System Rev Change
1	Total Residential	4.27%	422,812,114	38.32%	407,004,301	0.38%
2	General Service Rate GS - Secondary	0.00%	135,552,885	12.29%	130,484,925	-3.74%
3	General Service GS- Primary	15.27%	3,372,879	0.31%	3,246,776	10.96%
4	Total General Service	0.32%	138,925,764	12.59%	133,731,702	-3.43%
5	All Electric School Service Rate- AES	4.24%	7,913,983	0.72%	7,618,100	0.34%
6	Large Power Rate LPS - Secondary	0.00%	208,284,552	18.88%	200,497,350	-3.74%
7	Large Power Rate LPP - Primary	0.00%	82,187,686	7.45%	79,114,908	-3.74%
8	Large Power Rate LPT - Transmission	-5.44%	1,227,910	0.11%	1,182,002	-8.97%
9	Small Time-of-Day - STODS Secondary	0.92%	8,977,226	0.81%	8,641,592	-2.85%
10	Small Time-of-Day - STODP Primary	0.93%	722,873	0.07%	695,847	-2.85%
11	Small Time-of-Day - STODT Transmission			0.00%	0	
12	Total Combined Lighting and Power Service	0.01%	301,400,248	27.32%	290,131,699	-3.73%
13	Large Comm/Industrial Time-of-Day - I CI-TOD Primary	0.00%	128,046,688	11.61%	123,259,365	-3.74%
14	Large Comm/Industrial Time-of-Day - I CI-TOD Transmission	-0.10%	38,928,220	3.53%	37,472,798	-3.83%
15	Curtailable Service Riders - Primary - I CI-TOD Primary	0.00%	(96,313)	-0.01%	(92,712)	-3.74%
16	Curtailable Service Riders - Transmission - I CI-TOD Transmission	0.00%	(5,446,292)	-0.49%	(5,242,670)	-3.74%
17	Total Comm/Industrial Time-of-Day Service	-0.02%	161,432,303	14.63%	155,396,781	-3.76%
18	Large Industrial Time of Day	0.00%	21,958,768	1.99%	21,137,788	-3.74%
19	Coal Mining Power Service Rate - MP Primary	8.40%	7,423,329	0.67%	7,145,791	4.35%
20	Coal Mining Power Service Rate - MP Transmission	2.61%	3,940,029	0.36%	3,792,722	-1.23%
21	Total Coal Mine Power Time-of-Day Service	6.32%	11,363,358	1.03%	10,938,512	2.35%
22	Large Mine Power Time-of-Day Rate - I MP - TOD Primary	0.62%	4,746,259	0.43%	4,568,809	-3.14%
23	Large Mine Power Time-of-Day Rate - I MP - TOD Transmission	0.04%	13,292,804	1.20%	12,795,822	-3.70%
24	Total Large Mine Power Time-of-Day Service	0.19%	18,039,063	1.64%	17,364,631	-3.56%
25	Street Lighting - SL	4.20%	7,557,857	0.69%	7,275,289	0.30%
26	Decorative Street Lighting - SL DEC	4.81%	1,346,066	0.12%	1,295,740	0.89%
27	Private Outdoor Lighting - POI	4.75%	4,303,686	0.39%	4,142,783	0.83%
28	Customer Outdoor Lighting - OI	3.77%	6,184,753	0.56%	5,953,522	-0.11%
29	Total Private Outdoor Lighting Service	4.22%	19,392,363	1.76%	18,667,334	0.33%
30	Total Ultimate Consumers	1.81%	1,103,237,964	100.00%	1,061,990,849	-2.00%

Source: Direct Testimony and Exhibits of William Steven Seelye Exhibit 4 Page 2  
 The class percentage of KU proposed revenue excludes miscellaneous revenue

1    **Q.    Please summarize your recommendation with respect to rate spread.**

2    A            Although it would be reasonable to set rates closer to cost-of-service for  
3            those rate schedules with relative rates of return significantly divergent from 1.0, I  
4            conclude that KU's rate spread proposal still falls within the bounds of  
5            reasonableness at the revenue requirement requested by the Company. If the  
6            revenue requirement approved by the Commission is less than that requested by  
7            KU, then the percentage revenue apportionment produced by KU's rate spread  
8            should be used as the basis for spreading the resulting revenue change.

9    **Q.    Does this conclude your direct testimony?**

10   A.            Yes, it does.

**KEVIN C. HIGGINS**  
**Principal, Energy Strategies, L.L.C.**  
**215 South State St., Suite 200, Salt Lake City, UT 84111**

**Vitae**

**PROFESSIONAL EXPERIENCE**

Principal, Energy Strategies, L.L.C., Salt Lake City, Utah, January 2000 to present. Responsible for energy-related economic and policy analysis, regulatory intervention, and strategic negotiation on behalf of industrial, commercial, and public sector interests. Previously Senior Associate, February 1995 to December 1999.

Adjunct Instructor in Economics, Westminster College, Salt Lake City, Utah, September 1981 to May 1982; September 1987 to May 1995. Taught in the economics and M.B.A. programs. Awarded Adjunct Professor of the Year, Gore School of Business, 1990-91.

Chief of Staff to the Chairman, Salt Lake County Board of Commissioners, Salt Lake City, Utah, January 1991 to January 1995. Senior executive responsibility for all matters of county government, including formulation and execution of public policy, delivery of approximately 140 government services, budget adoption and fiscal management (over \$300 million), strategic planning, coordination with elected officials, and communication with consultants and media.

Assistant Director, Utah Energy Office, Utah Department of Natural Resources, Salt Lake City, Utah, August 1985 to January 1991. Directed the agency's resource development section, which provided energy policy analysis to the Governor, implemented state energy development policy, coordinated state energy data collection and dissemination, and managed energy technology demonstration programs. Position responsibilities included policy formulation and implementation, design and administration of energy technology demonstration programs, strategic management of the agency's interventions before the Utah Public Service Commission, budget preparation, and staff development. Supervised a staff of economists, engineers, and policy analysts, and served as lead economist on selected projects.

Utility Economist, Utah Energy Office, January 1985 to August 1985. Provided policy and economic analysis pertaining to energy conservation and resource development, with an emphasis on utility issues. Testified before the state Public Service Commission as an expert witness in cases related to the above.

Acting Assistant Director, Utah Energy Office, June 1984 to January 1985. Same responsibilities as Assistant Director identified above.

Research Economist, Utah Energy Office, October 1983 to June 1984. Provided economic analysis pertaining to renewable energy resource development and utility issues. Experience includes preparation of testimony, development of strategy, and appearance as an expert witness for the Energy Office before the Utah PSC.

Operations Research Assistant, Corporate Modeling and Operations Research Department, Utah Power and Light Company, Salt Lake City, Utah, May 1983 to September 1983. Primary area of responsibility: designing and conducting energy load forecasts.

Instructor in Economics, University of Utah, Salt Lake City, Utah, January 1982 to April 1983. Taught intermediate microeconomics, principles of macroeconomics, and economics as a social science

Teacher, Vernon-Verona-Sherrill School District, Verona, New York, September 1976 to June 1978

## **EDUCATION**

Ph.D Candidate, Economics, University of Utah (coursework and field exams completed, 1981).

Fields of Specialization: Public Finance, Urban and Regional Economics, Economic Development, International Economics, History of Economic Doctrines.

Bachelor of Science, Education, State University of New York at Plattsburgh, 1976 (cum laude).

Danish International Studies Program, University of Copenhagen, 1975.

## **SCHOLARSHIPS AND FELLOWSHIPS**

University Research Fellow, University of Utah, Salt Lake City, Utah 1982 to 1983.

Research Fellow, Institute of Human Resources Management, University of Utah, 1980 to 1982.

Teaching Fellow, Economics Department, University of Utah, 1978 to 1980.

New York State Regents Scholar, 1972 to 1976.

## EXPERT TESTIMONY

*“In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations,” Utah Public Service Commission, Docket No. 08-035-38. Direct testimony submitted October 7, 2008 (test period),*

*“In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan,” Public Utility Commission of Ohio, Case No. 08-935-EL-SSO. Direct testimony submitted September 29, 2008. Deposed October 13, 2008. Cross examined October 21, 2008.*

*“In the Matter of the Application of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes In Their Charges for Electric Service,” State Corporation Commission of Kansas, Docket No. 08-WSEE-1041-RTS. Direct testimony submitted September 29, 2008. Cross Answer testimony submitted October 8, 2008.*

*“In the Matter of Appalachian Power Company’s Application for Increase in Electric Rates,” Virginia State Corporation Commission, Case No. PUE-2008-00046. Direct testimony submitted September 26, 2008.*

*“In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications with Reconciliation Mechanism and Tariffs for Generation Service,” Public Utility Commission of Ohio, Case No. 08-936-EL-SSO. Direct testimony submitted September 9, 2008. Deposed September 16, 2008.*

*“In the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property of the Company for Ratemaking Purposes, to Fix a Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return,” Arizona Corporation Commission, Docket No. E-01345A-08-0172. Direct testimony submitted August 29, 2008 (interim rates). Cross examined September 16, 2008 (interim rates).*

*“Verified Joint Petition of Duke Energy Indiana, Inc., Indianapolis Power & Light Company, Northern Indiana Public Service Company and Vectren Energy Delivery of Indiana, Inc. for Approval, if and to the Extent Required, of Certain Changes in Operations That Are Likely To Result from the Midwest Independent System Operator, Inc.’s Implementation of Revisions to Its Open Access Transmission and Energy Markets Tariff to Establish a Co-Optimized, Competitive Market for Energy and Ancillary Services Market; and for Timely Recovery of Costs Associated with Joint Petitioners’ Participation in Such Ancillary Services Market,”*

**Indiana** Utility Regulatory Commission, Cause No. 43426. Direct testimony submitted August 6, 2008.

*“In The Matter of the Application of The Detroit Edison Company for Authority to Increase Its Rates, Amend Its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority,” Michigan* Public Service Commission, Case No. U-15244. Direct testimony submitted July 15, 2008. Rebuttal testimony submitted August 8, 2008.

*“Portland General Electric General Rate Case Filing,”* Public Utility Commission of **Oregon**, Docket No. UE-197. Direct testimony submitted July 9, 2008. Surrebuttal testimony submitted September 15, 2008.

*“In the Matter of PacifiCorp, dba Pacific Power, 2009 Transition Adjustment Mechanism, Schedule 200, Cost-Based Supply Service,”* Public Utility Commission of **Oregon**, Docket No. UE-199. Reply testimony submitted June 23, 2008. Joint testimony in support of stipulation submitted September 4, 2008.

*“2008 Puget Sound Energy General Rate Case,”* **Washington** Utilities and Transportation Commission. Docket Nos. UE-072300 and UG-072301. Response testimony submitted May 30, 2008. Cross-Answer testimony submitted July 3, 2008. *Joint testimony in support of partial stipulations* submitted July 3, 2008 (gas rate spread/rate design), August 12, 2008 (electric rate spread/rate design), and August 28, 2008 (revenue requirements). Cross examined September 3, 2008.

*“Verified Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission to Approve an Alternative Regulatory Plan Pursuant to the Ind. Code 8-1-2.5, Et Seq., for the Offering of Energy Efficiency Conservation, Demand Response, and Demand-Side Management Programs and Associated Rate Treatment Including Incentives Pursuant to a Revised Standard Contract Rider No. 66 in Accordance with Ind. Code 8-1-2.5-1Et Seq. and 8-1-2-42(a); Authority to Defer Program Costs Associated with Its Energy Efficiency Portfolio of Programs; Authority to Implement New and Enhanced Energy Efficiency Programs in Its Energy Efficiency Portfolio of Programs; and Approval of a Modification of the Fuel Adjustment Clause Earnings and Expense Tests,”* **Indiana** Utility Regulatory Commission, Cause No. 43374. Direct testimony submitted May 21, 2008.

*“Cinergy Corp., Duke Energy Ohio, Inc., Cinergy Power Investments, Inc., Generating Facilities LLCs,”* **Federal Energy Regulatory Commission**, Docket No. EC-08-78-000. Affidavit filed May 14, 2008.

*“Application of Entergy Gulf States, Inc. for Authority to Change Rates and to Reconcile Fuel Costs,”* Public Utility Commission of **Texas**, Docket No. 34800 [SOAH Docket No. 473-08-0334]. Direct testimony submitted April 11, 2008. Testimony withdrawn pursuant to stipulation.

“Central Illinois Light Company d/b/a AmerenCILCO Proposed General Increase in Electric Delivery Service Rates, Central Illinois Public Service Company d/b/a AmerenCIPS Proposed General Increase in Electric Delivery Service Rates, Illinois Power Company d/b/a/ AmerenIP Proposed General Increase in Electric Delivery Service Rates, Central Illinois Light Company d/b/a AmerenCILCO, Proposed General Increase in Gas Delivery Service Rates, Central Illinois Public Service Company d/b/a AmerenCIPS Proposed General Increase in Gas Delivery Service Rates, Illinois Power Company d/b/a/ AmerenIP Proposed General Increase in Gas Delivery Service Rates.” **Illinois** Commerce Commission, Docket Nos. 07-0585, 07-0586, 07-0587, 07-0588, 07-0589, 07-0590. Direct testimony submitted March 14, 2008. Rebuttal testimony submitted April 8, 2008.

“In the Matter of the Application of Public Service Company of Colorado for Authority to Implement an Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Recovery and Incentives,” **Colorado** Public Utilities Commission, Docket No. 07A-420E. Answer testimony submitted March 10, 2008. Cross examined April 25, 2008.

“An Investigation of the Energy and Regulatory Issues in Section 50 of Kentucky’s 2007 Energy Act,” **Kentucky** Public Service Commission, Administrative Case No. 2007-00477. Direct testimony submitted February 29, 2008. Supplemental direct testimony submitted April 1, 2008. Cross examined April 30, 2008.

*In the Matter of the Application of Tucson Electric Power Company for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of Its Operations throughout the State of Arizona, Arizona Corporation Commission, Docket No. E-01933A-07-0402. Direct testimony submitted February 29, 2008 (revenue requirement), March 14, 2008 (rate design), and June 12, 2008 (settlement agreement). Cross examined July 14, 2008.*

“Commonwealth Edison Company Proposed General Increase in Electric Rates,” **Illinois** Commerce Commission, Docket No. 07-0566. Direct testimony submitted February 11, 2008. Rebuttal testimony submitted April 8, 2008.

“In the Matter of the Application of Questar Gas Company to File a General Rate Case,” **Utah** Public Service Commission, Docket No. 07-057-13. Direct testimony submitted January 28, 2008 (test period), March 31, 2008 (rate of return), April 21, 2008 (revenue requirement), and August 18, 2008 (cost of service, rate spread, rate design). Rebuttal testimony submitted September 22, 2008 (cost of service, rate spread, rate design). Surrebuttal testimony submitted May 12, 2008 (rate of return) and October 7, 2008 (cost of service, rate spread, rate design). Cross examined February 8, 2008 (test period), May 21, 2008 (rate of return), and October 15, 2008 (cost of service, rate spread, rate design).

“In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge,” **Utah** Public Service Commission, Docket No. 07-035-93. Direct testimony submitted January 25, 2008 (test period), April 7, 2008 (revenue requirement), and July 21, 2008 (cost of service, rate design). Rebuttal testimony submitted September 3, 2008 (cost of service, rate design). Surrebuttal testimony submitted May 23, 2008 (revenue requirement) and September 24, 2008 (cost of service, rate design). Cross examined February 7, 2008 (test period).

“In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Increase Rates for Distribution Service, Modify Certain Accounting Practices and for Tariff Approvals,” Public Utilities Commission of **Ohio**, Case Nos 07-551-EL-AIR, 07-552-EL-ATA, 07-553-EL-AAM, and 07-554-EL-UNC. Direct testimony submitted January 10, 2008.

“In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Wyoming, Consisting of a General Rate Increase of Approximately \$36.1 Million per Year, and for Approval of a New Renewable Resource Mechanism and Marginal Cost Pricing Tariff,” **Wyoming** Public Service Commission, Docket No. 20000-277-ER-07. Direct testimony submitted January 7, 2008. Cross examined March 6, 2008.

“In the Matter of the Application of Idaho Power Company for Authority to Increase Its Rates and Charges for Electric Service to Electric Customers in the State of Idaho,” **Idaho** Public Utilities Commission, Case No. IPC-E-07-8. Direct testimony submitted December 10, 2007. Cross examined January 23, 2008.

“In The Matter of the Application of Consumers Energy Company for Authority to Increase Its Rates for the Generation and Distribution Of Electricity and Other Relief,” **Michigan** Public Service Commission, Case No. U-15245. Direct testimony submitted November 6, 2007. Rebuttal testimony submitted November 20, 2007.

“In the Matter of Montana-Dakota Utilities Co., Application for Authority to Establish Increased Rates for Electric Service,” **Montana** Public Service Commission, Docket No. D2007.7.79. Direct testimony submitted October 24, 2007.

“In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates Pursuant to Advice Notice No. 334,” **New Mexico** Public Regulation Commission, Case No. 07-0077-UT. Direct testimony submitted October 22, 2007. Rebuttal testimony submitted November 19, 2007. Cross examined December 12, 2007.

“In The Matter of Georgia Power Company’s 2007 Rate Case,” **Georgia** Public Service Commission, Docket No. 25060-U. Direct testimony submitted October 22, 2007. Cross examined November 7, 2007.

“In the Matter of the Application of Rocky Mountain Power for an Accounting Order to Defer the Costs Related to the MidAmerican Energy Holdings Company Transaction,” **Utah** Public Service Commission, Docket No. 07-035-04; “In the Matter of the Application of Rocky Mountain Power, a Division of PacifiCorp, for a Deferred Accounting Order To Defer the Costs of Loans Made to Grid West, the Regional Transmission Organization,” Docket No. 06-035-163; “In the Matter of the Application of Rocky Mountain Power for an Accounting Order for Costs related to the Flooding of the Powerdale Hydro Facility,” Docket No. 07-035-14. Direct testimony submitted September 10, 2007. Surrebuttal testimony submitted October 22, 2007. Cross examined October 30, 2007.

“In the Matter of General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.,” **Kentucky** Public Service Commission, Case No. 2006-00472. Direct testimony submitted July 6, 2007. Supplemental direct testimony submitted March 14, 2008.

“In the Matter of the Application of Sempra Energy Solutions for a Certificate of Convenience and Necessity for Competitive Retail Electric Service,” **Arizona** Corporation Commission, Docket No. E-03964A-06-0168. Direct testimony submitted July 3, 2007. Rebuttal testimony submitted January 17, 2008.

“Application of Public Service Company of Oklahoma for a Determination that Additional Electric Generating Capacity Will Be Used and Useful,” **Oklahoma** Corporation Commission, Cause No. PUD 200500516; “Application of Public Service Company of Oklahoma for a Determination that Additional Baseload Electric Generating Capacity Will Be Used and Useful,” Cause No. PUD 200600030; “In the Matter of the Application of Oklahoma Gas and Electric Company for an Order Granting Pre-Approval to Construct Red Rock Generating Facility and Authorizing a Recovery Rider,” Cause No. PUD200700012. Responsive testimony submitted May 21, 2007. Cross examined July 26, 2007.

“Application of Nevada Power Company for Authority to Increase Its Annual Revenue Requirement for General Rates Charged to All Classes of Electric Customers and for Relief Properly Related Thereto,” Public Utilities Commission of **Nevada**, Docket No. 06-11022. Direct testimony submitted March 14, 2007 (Phase III – revenue requirements) and March 19, 2007 (Phase IV – rate design). Cross examined April 10, 2007 (Phase III – revenue requirements) and April 16, 2007 (Phase IV – rate design).

“In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service,” **Arkansas** Public Service Commission, Docket No. 06-101-U. Direct testimony submitted February 5, 2007. Surrebuttal testimony submitted March 26, 2007.

“Monongahela Power Company and The Potomac Edison Company, both d/b/a Allegheny Power – Rule 42T Application to Increase Electric Rates and Charges,” Public Service Commission of **West Virginia**, Case No. 06-0960-E-42T; “Monongahela Power Company and The Potomac Edison Company, both d/b/a Allegheny Power – Information Required for Change of Depreciation Rates Pursuant to Rule 20,” Case No. 06-1426-E-D. Direct and rebuttal testimony submitted January 22, 2007.

“In the Matter of the Tariffs of Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P Increasing Electric Rates for the Services Provided to Customers in the Aquila Networks-MPS and Aquila Networks-L&P Missouri Service Areas,” **Missouri** Public Service Commission, Case No. ER-2007-0004. Direct testimony submitted January 18, 2007 (revenue requirements) and January 25, 2007 (revenue apportionment). Supplemental direct testimony submitted February 27, 2007.

“In the Matter of the Filing by Tucson Electric Power Company to Amend Decision No. 62103, **Arizona** Corporation Commission, Docket No. E-01933A-05-0650. Direct testimony submitted January 8, 2007. Surrebuttal testimony filed February 8, 2007. Cross examined March 8, 2007.

“In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company’s Missouri Service Area,” **Missouri** Public Service Commission, Case No. ER-2007-0002. Direct testimony submitted December 15, 2006 (revenue requirements) and December 29, 2006 (fuel adjustment clause/cost-of-service/rate design). Rebuttal testimony submitted February 5, 2007 (cost-of-service). Surrebuttal testimony submitted February 27, 2007. Cross examined March 21, 2007.

“In the Matter of Application of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc. for an Adjustment of Electric Rates,” **Kentucky** Public Service Commission, Case No. 2006-00172. Direct testimony submitted September 13, 2006.

“In the Matter of Appalachian Power Company’s Application for Increase in Electric Rates,” **Virginia** State Corporation Commission, Case No. PUE-2006-00065. Direct testimony submitted September 1, 2006. Cross examined December 7, 2006.

“In the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property for Ratemaking Purposes, to Fix a Just and Reasonable Rate of Return Thereon, To Approve Rate Schedules Designed to Develop Such Return, and to Amend Decision No. 67744, **Arizona** Corporation Commission,” Docket No. E-01345A-05-0816. Direct testimony submitted August 18, 2006 (revenue requirements) and September 1, 2006 (cost-of-service/rate design). Surrebuttal testimony submitted September 27, 2006. Cross examined November 7, 2006.

“Re: The Tariff Sheets Filed by Public Service Company of Colorado with Advice Letter

No 1454 – Electric,” **Colorado** Public Utilities Commission, Docket No. 06S-234EG. Answer testimony submitted August 18, 2006.

“Portland General Electric General Rate Case Filing,” Public Utility Commission of **Oregon**, Docket No. UE-180. Direct testimony submitted August 9, 2006. Joint testimony regarding stipulation submitted August 22, 2006.

“2006 Puget Sound Energy General Rate Case.” **Washington** Utilities and Transportation Commission, Docket Nos. UE-060266 and UG-060267. Response testimony submitted July 19, 2006. Joint testimony regarding stipulation submitted August 23, 2006.

“In the Matter of PacifiCorp, dba Pacific Power & Light Company, Request for a General Rate Increase in the Company’s Oregon Annual Revenues,” Public Utility Commission of **Oregon**, Docket No. UE-179. Direct testimony submitted July 12, 2006. Joint testimony regarding stipulation submitted August 21, 2006.

“Petition of Metropolitan Edison Company for Approval of a Rate Transition Plan,” **Pennsylvania** Public Utilities Commission, Docket Nos. P-00062213 and R-00061366; “Petition of Pennsylvania Electric Company for Approval of a Rate Transition Plan,” Docket Nos. P-0062214 and R-00061367; Merger Savings Remand Proceeding, Docket Nos. A-110300F0095 and A-110400F0040. Direct testimony submitted July 10, 2006. Rebuttal testimony submitted August 8, 2006. Surrebuttal testimony submitted August 18, 2006. Cross examined August 30, 2006.

“In the Matter of the Application of PacifiCorp for approval of its Proposed Electric Rate Schedules & Electric Service Regulations,” **Utah** Public Service Commission, Docket No. 06-035-21. Direct testimony submitted June 9, 2006 (Test Period). Surrebuttal testimony submitted July 14, 2006.

“Joint Application of Questar Gas Company, the Division of Public Utilities, and Utah Clean Energy for the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders.” **Utah** Public Service Commission, Docket No. 05-057-T01. Direct testimony submitted May 15, 2006. Rebuttal testimony submitted August 8, 2007. Cross examined September 19, 2007.

“Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS, Illinois Power Company d/b/a AmerenIP, Proposed General Increase in Rates for Delivery Service (Tariffs Filed December 27, 2005),” **Illinois** Commerce Commission, Docket Nos. 06-0070, 06-0071, 06-0072. Direct testimony submitted March 26, 2006. Rebuttal testimony submitted June 27, 2006.

“In the Matter of Appalachian Power Company and Wheeling Power Company, both dba American Electric Power,” Public Service Commission of **West Virginia**, Case No. 05-1278-E-PC-PW-42T. Direct and rebuttal testimony submitted March 8, 2006.

“In the Matter of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota,” **Minnesota** Public Utilities Commission, Docket No. G-002/GR-05-1428. Direct testimony submitted March 2, 2006. Rebuttal testimony submitted March 30, 2006. Cross examined April 25, 2006.

“In the Matter of the Application of Arizona Public Service Company for an Emergency Interim Rate Increase and for an Interim Amendment to Decision No. 67744,” **Arizona** Corporation Commission, Docket No. E-01345A-06-0009. Direct testimony submitted February 28, 2006. Cross examined March 23, 2006.

“In the Matter of the Applications of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in Their Charges for Electric Service,” State Corporation Commission of **Kansas**. Case No. 05-WSEE-981-RTS. Direct testimony submitted September 9, 2005. Cross examined October 28, 2005.

“In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Recover Costs Associated with the Construction and Ultimate Operation of an Integrated Combined Cycle Electric Generating Facility,” Public Utilities Commission of **Ohio**,” Case No. 05-376-EL-UNC. Direct testimony submitted July 15, 2005. Cross examined August 12, 2005.

“In the Matter of the Filing of General Rate Case Information by Tucson Electric Power Company Pursuant to Decision No. 62103,” **Arizona** Corporation Commission, Docket No. E-01933A-04-0408. Direct testimony submitted June 24, 2005.

“In the Matter of Application of The Detroit Edison Company to Unbundle and Realign Its Rate Schedules for Jurisdictional Retail Sales of Electricity,” **Michigan** Public Service Commission, Case No. U-14399. Direct testimony submitted June 9, 2005. Rebuttal testimony submitted July 1, 2005.

“In the Matter of the Application of Consumers Energy Company for Authority to Increase Its Rates for the Generation and Distribution of Electricity and Other Relief,” **Michigan** Public Service Commission, Case No. U-14347. Direct testimony submitted June 3, 2005. Rebuttal testimony submitted June 17, 2005.

“In the Matter of Pacific Power & Light, Request for a General Rate Increase in the Company’s

Oregon Annual Revenues,” Public Utility Commission of **Oregon**, Docket No. UE 170. Direct testimony submitted May 9, 2005. Surrebuttal testimony submitted June 27, 2005. Joint testimony regarding partial stipulations submitted June 2005, July 2005, and August 2005.

“In the Matter of the Application of Trico Electric Cooperative, Inc. for a Rate Increase,” **Arizona** Corporation Commission, Docket No. E-01461A-04-0607. Direct testimony submitted April 13, 2005. Surrebuttal testimony submitted May 16, 2005. Cross examined May 26, 2005.

“In the Matter of the Application of PacifiCorp for Approval of its Proposed Electric Service Schedules and Electric Service Regulations,” **Utah** Public Service Commission, Docket No. 04-035-42. Direct testimony submitted January 7, 2005.

“In the Matter of the Application by Golden Valley Electric Association, Inc., for Authority to Implement Simplified Rate Filing Procedures and Adjust Rates,” Regulatory Commission of **Alaska**. Docket No. U-4-33. Direct testimony submitted November 5, 2004. Cross examined February 8, 2005.

“Advice Letter No. 1411 - Public Service Company of Colorado Electric Phase II General Rate Case,” **Colorado** Public Utilities Commission, Docket No. 04S-164E. Direct testimony submitted October 12, 2004. Cross-answer testimony submitted December 13, 2004. Testimony withdrawn January 18, 2005, following Applicant’s withdrawal of testimony pertaining to TOU rates.

“In the Matter of Georgia Power Company’s 2004 Rate Case,” **Georgia** Public Service Commission, Docket No. 18300-U. Direct testimony submitted October 8, 2004. Cross examined October 27, 2004.

“2004 Puget Sound Energy General Rate Case,” **Washington** Utilities and Transportation Commission, Docket Nos. UE-040641 and UG-040640. Response testimony submitted September 23, 2004. Cross-answer testimony submitted November 3, 2004. Joint testimony regarding stipulation submitted December 6, 2004.

“In the Matter of the Application of PacifiCorp for an Investigation of Interjurisdictional Issues,” **Utah** Public Service Commission, Docket No. 02-035-04. Direct testimony submitted July 15, 2004. Cross examined July 19, 2004.

“In the Matter of an Adjustment of the Gas and Electric Rates, Terms and Conditions of Kentucky Utilities Company,” **Kentucky** Public Service Commission, Case No. 2003-00434. Direct testimony submitted March 23, 2004. Testimony withdrawn pursuant to stipulation entered May 2004.

“In the Matter of an Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company,” **Kentucky** Public Service Commission, Case No. 2003-00433. Direct testimony submitted March 23, 2004. Testimony withdrawn pursuant to stipulation entered May 2004.

“In the Matter of the Application of Idaho Power Company for Authority to Increase Its Interim and Base Rates and Charges for Electric Service,” **Idaho** Public Utilities Commission, Case No. IPC-E-03-13. Direct testimony submitted February 20, 2004. Rebuttal testimony submitted March 19, 2004. Cross examined April 1, 2004.

“In the Matter of the Applications of the Ohio Edison Company, the Cleveland Electric Illuminating Company and the Toledo Edison Company for Authority to Continue and Modify Certain Regulatory Accounting Practices and Procedures, for Tariff Approvals and to Establish Rates and Other Charges, Including Regulatory Transition Charges Following the Market Development Period,” Public Utilities Commission of **Ohio**, Case No. 03-2144-EL-ATA. Direct testimony submitted February 6, 2004. Cross examined February 18, 2004.

“In the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property of the Company for Ratemaking Purposes, To Fix a Just and Reasonable Rate of Return Thereon, To Approve Rate Schedules Designed to Develop Such Return, and For Approval of Purchased Power Contract,” **Arizona** Corporation Commission, Docket No. E-01345A-03-0437. Direct testimony submitted February 3, 2004. Rebuttal testimony submitted March 30, 2004. Direct testimony regarding stipulation submitted September 27, 2004. Responsive / Clarifying testimony regarding stipulation submitted October 25, 2004. Cross examined November 8-10, 2004 and November 29-December 3, 2004.

“In the Matter of Application of the Detroit Edison Company to Increase Rates, Amend Its Rate Schedules Governing the Distribution and Supply of Electric Energy, etc.,” **Michigan** Public Service Commission, Case No. U-13808. Direct testimony submitted December 12, 2003 (interim request) and March 5, 2004 (general rate case).

“In the Matter of PacifiCorp’s Filing of Revised Tariff Schedules,” Public Utility Commission of **Oregon**. Docket No. UE-147. Joint testimony regarding stipulation submitted August 21, 2003.

“Petition of PSI Energy, Inc. for Authority to Increase Its Rates and Charges for Electric Service, etc.,” **Indiana** Utility Regulatory Commission, Cause No. 42359. Direct testimony submitted August 19, 2003. Cross examined November 5, 2003.

“In the Matter of the Application of Consumers Energy Company for a Financing Order Approving the Securitization of Certain of its Qualified Cost,” **Michigan** Public Service Commission, Case No. U-13715. Direct testimony submitted April 8, 2003. Cross examined April 23, 2003.

“In the Matter of the Application of Arizona Public Service Company for Approval of Adjustment Mechanisms,” **Arizona** Corporation Commission, Docket No. E-01345A-02-0403. Direct testimony submitted February 13, 2003. Surrebuttal testimony submitted March 20, 2003. Cross examined April 8, 2003.

“Re: The Investigation and Suspension of Tariff Sheets Filed by Public Service Company of Colorado. Advice Letter No. 1373 – Electric, Advice Letter No. 593 – Gas, Advice Letter No. 80 – Steam.” **Colorado** Public Utilities Commission, Docket No. 02S-315 EG. Direct testimony submitted November 22, 2002. Cross-answer testimony submitted January 24, 2003.

“In the Matter of the Application of The Detroit Edison Company to Implement the Commission’s Stranded Cost Recovery Procedure and for Approval of Net Stranded Cost Recovery Charges,” **Michigan** Public Service Commission, Case No. U-13350. Direct testimony submitted November 12, 2002.

“Application of South Carolina Electric & Gas Company: Adjustments in the Company’s Electric Rate Schedules and Tariffs,” Public Service Commission of **South Carolina**, Docket No. 2002-223-E. Direct testimony submitted November 8, 2002. Surrebuttal testimony submitted November 18, 2002. Cross examined November 21, 2002.

“In the Matter of the Application of Questar Gas Company for a General Increase in Rates and Charges,” **Utah** Public Service Commission, Docket No. 02-057-02. Direct testimony submitted August 30, 2002. Rebuttal testimony submitted October 4, 2002.

“The Kroger Co. v. Dynegy Power Marketing, Inc.,” **Federal Energy Regulatory Commission**, EL02-119-000. Confidential affidavit filed August 13, 2002.

“In the matter of the application of Consumers Energy Company for determination of net stranded costs and for approval of net stranded cost recovery charges,” **Michigan** Public Service Commission, Case No. U-13380. Direct testimony submitted August 9, 2002. Rebuttal testimony submitted August 30, 2002. Cross examined September 10, 2002.

“In the Matter of the Application of Public Service Company of Colorado for an Order to Revise Its Incentive Cost Adjustment,” **Colorado** Public Utilities Commission, Docket 02A-158E. Direct testimony submitted April 18, 2002.

“In the Matter of the Generic Proceedings Concerning Electric Restructuring Issues,” **Arizona** Corporation Commission, Docket No. E-00000A-02-0051, “In the Matter of Arizona Public Service Company’s Request for Variance of Certain Requirements of A.A.C. R14-2-1606,” Docket No. E-01345A-01-0822, “In the Matter of the Generic Proceeding Concerning the Arizona Independent Scheduling Administrator,” Docket No. E-00000A-01-0630, “In the Matter of Tucson Electric Power Company’s Application for a Variance of Certain Electric Competition Rules Compliance Dates,” Docket No. E-01933A-02-0069, “In the Matter of the Application of

Tucson Electric Power Company for Approval of its Stranded Cost Recovery,” Docket No. E-01933A-98-0471. Direct testimony submitted March 29, 2002 (APS variance request); May 29, 2002 (APS Track A proceeding/market power issues); and July 28, 2003 (Arizona ISA). Rebuttal testimony submitted August 29, 2003 (Arizona ISA). Cross examined June 21, 2002 (APS Track A proceeding/market power issues) and September 12, 2003 (Arizona ISA).

“In the Matter of Savannah Electric & Power Company’s 2001 Rate Case,” **Georgia** Public Service Commission, Docket No. 14618-U. Direct testimony submitted March 15, 2002. Cross examined March 28, 2002.

“Nevada Power Company’s 2001 Deferred Energy Case,” Public Utilities Commission of **Nevada**, PUCN 01-11029. Direct testimony submitted February 7, 2002. Cross examined February 21, 2002.

“2001 Puget Sound Energy Interim Rate Case,” **Washington** Utilities and Transportation Commission, Docket Nos. UE-011570 and UE-011571. Direct testimony submitted January 30, 2002. Cross examined February 20, 2002.

“In the Matter of Georgia Power Company’s 2001 Rate Case,” **Georgia** Public Service Commission, Docket No. 14000-U. Direct testimony submitted October 12, 2001. Cross examined October 24, 2001.

“In the Matter of the Application of PacifiCorp for Approval of Its Proposed Electric Rate Schedules and Electric Service Regulations,” **Utah** Public Service Commission, Docket No. 01-35-01. Direct testimony submitted June 15, 2001. Rebuttal testimony submitted August 31, 2001.

“In the Matter of Portland General Electric Company’s Proposal to Restructure and Reprice Its Services in Accordance with the Provisions of SB 1149,” Public Utility Commission of **Oregon**, Docket No. UE-115. Direct testimony submitted February 20, 2001. Rebuttal testimony submitted May 4, 2001. Joint testimony regarding stipulation submitted July 27, 2001.

“In the Matter of the Application of APS Energy Services, Inc. for Declaratory Order or Waiver of the Electric Competition Rules,” **Arizona** Corporation Commission, Docket No. E-01933A-00-0486. Direct testimony submitted July 24, 2000.

“In the Matter of the Application of Questar Gas Company for an Increase in Rates and Charges,” **Utah** Public Service Commission, Docket No. 99-057-20. Direct testimony submitted April 19, 2000. Rebuttal testimony submitted May 24, 2000. Surrebuttal testimony submitted May 31, 2000. Cross examined June 6 & 8, 2000.

“In the Matter of the Application of Columbus Southern Power Company for Approval of Electric Transition Plan and Application for Receipt of Transition Revenues,” Public Utility

Commission of **Ohio**, Case No. 99-1729-EL-ETP; “In the Matter of the Application of Ohio Power Company for Approval of Electric Transition Plan and Application for Receipt of Transition Revenues,” Public Utility Commission of **Ohio**, Case No. 99-1730-EL-ETP. Direct testimony prepared, but not submitted pursuant to settlement agreement effected May 2, 2000.

“In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company for Approval of Their Transition Plans and for Authorization to Collect Transition Revenues,” Public Utility Commission of **Ohio**, Case No. 99-1212-EL-ETP. Direct testimony prepared, but not submitted pursuant to settlement agreement effected April 11, 2000.

“2000 Pricing Process,” **Salt River Project** Board of Directors, oral comments provided March 6, 2000 and April 10, 2000.

“Tucson Electric Power Company vs. Cyprus Sierrita Corporation,” **Arizona** Corporation Commission, Docket No. E-000001-99-0243. Direct testimony submitted October 25, 1999. Cross examined November 4, 1999.

“Application of Hildale City and Intermountain Municipal Gas Association for an Order Granting Access for Transportation of Interstate Natural Gas over the Pipelines of Questar Gas Company for Hildale, Utah,” **Utah** Public Service Commission, Docket No. 98-057-01. Rebuttal testimony submitted August 30, 1999.

“In the Matter of the Application by Arizona Electric Power Cooperative, Inc. for Approval of Its Filing as to Regulatory Assets and Transition Revenues,” **Arizona** Corporation Commission, Docket No. E-01773A-98-0470. Direct testimony submitted July 30, 1999. Cross examined February 28, 2000.

“In the Matter of the Application of Tucson Electric Power Company for Approval of its Plan for Stranded Cost Recovery,” **Arizona** Corporation Commission, Docket No. E-01933A-98-0471; “In the Matter of the Filing of Tucson Electric Power Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.,” Docket No. E-01933A-97-0772; “In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona,” Docket No. RE-00000C-94-0165. Direct testimony submitted June 30, 1999. Rebuttal testimony submitted August 6, 1999. Cross examined August 11-13, 1999.

“In the Matter of the Application of Arizona Public Service Company for Approval of its Plan for Stranded Cost Recovery,” **Arizona** Corporation Commission, Docket No. E-01345A-98-0473; “In the Matter of the Filing of Arizona Public Service Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.,” Docket No. E-01345A-97-0773; “In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona,” Docket No. RE-00000C-94-0165. Direct testimony submitted June 4, 1999. Rebuttal testimony submitted July 12, 1999. Cross examined July 14, 1999.

“In the Matter of the Application of Tucson Electric Power Company for Approval of its Plan for Stranded Cost Recovery,” **Arizona** Corporation Commission, Docket No. E-01933A-98-0471; “In the Matter of the Filing of Tucson Electric Power Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.,” Docket No. E-01933A-97-0772; “In the Matter of the Application of Arizona Public Service Company for Approval of its Plan for Stranded Cost Recovery,” Docket No. E-01345A-98-0473; “In the Matter of the Filing of Arizona Public Service Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.,” Docket No. E-01345A-97-0773; “In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona,” Docket No. RE-00000C-94-0165. Direct testimony submitted November 30, 1998.

“Hearings on Pricing,” **Salt River Project** Board of Directors, written and oral comments provided November 9, 1998.

“Hearings on Customer Choice,” **Salt River Project** Board of Directors, written and oral comments provided June 22, 1998; June 29, 1998; July 9, 1998; August 7, 1998; and August 14, 1998

“In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona,” **Arizona** Corporation Commission, Docket No. U-0000-94-165. Direct and rebuttal testimony filed January 21, 1998. Second rebuttal testimony filed February 4, 1998. Cross examined February 25, 1998.

“In the Matter of Consolidated Edison Company of New York, Inc.’s Plans for (1) Electric Rate/Restructuring Pursuant to Opinion No. 96-12; and (2) the Formation of a Holding Company Pursuant to PSL Sections 70, 108, and 110, and Certain Related Transactions,” **New York** Public Service Commission. Case 96-E-0897. Direct testimony filed April 9, 1997. Cross examined May 5, 1997.

“In the Matter of the Petition of Sunnyside Cogeneration Associates for Enforcement of Contract Provisions,” **Utah** Public Service Commission, Docket No. 96-2018-01; “In the Matter of the Application of Rocky Mountain Power for an Order Approving an Amendment to Its Power Purchase Agreement with Sunnyside Cogeneration Associates,” Docket Nos. 05-035-46, and 07-035-99. Direct testimony submitted July 8, 1996. Oral testimony provided March 18, 2008.

“In the Matter of the Application of PacifiCorp, dba Pacific Power & Light Company, for Approval of Revised Tariff Schedules and an Alternative Form of Regulation Plan,” **Wyoming** Public Service Commission, Docket No. 2000-ER-95-99. Direct testimony submitted April 8, 1996

“In the Matter of the Application of Mountain Fuel Supply Company for an Increase in Rates and Charges,” **Utah** Public Service Commission, Case No. 95-057-02. Direct testimony

submitted June 19, 1995. Rebuttal testimony submitted July 25, 1995. Surrebuttal testimony submitted August 7, 1995.

“In the Matter of the Investigation of the Reasonableness of the Rates and Tariffs of Mountain Fuel Supply Company,” **Utah Public Service Commission**, Case No. 89-057-15. Direct testimony submitted July 1990. Surrebuttal testimony submitted August 1990.

“In the Matter of the Review of the Rates of Utah Power and Light Company pursuant to The Order in Case No. 87-035-27,” **Utah Public Service Commission**, Case No. 89-035-10. Rebuttal testimony submitted November 15, 1989. Cross examined December 1, 1989 (rate schedule changes for state facilities).

“In the Matter of the Application of Utah Power & Light Company and PC/UP&L Merging Corp. (to be renamed PacifiCorp) for an Order Authorizing the Merger of Utah Power & Light Company and PacifiCorp into PC/UP&L Merging Corp. and Authorizing the Issuance of Securities, Adoption of Tariffs, and Transfer of Certificates of Public Convenience and Necessity and Authorities in Connection Therewith,” **Utah Public Service Commission**, Case No. 87-035-27; Direct testimony submitted April 11, 1988. Cross examined May 12, 1988 (economic impact of UP&L merger with PacifiCorp).

“In the Matter of the Application of Mountain Fuel Supply Company for Approval of Interruptible Industrial Transportation Rates,” **Utah Public Service Commission**, Case No. 86-057-07. Direct testimony submitted January 15, 1988. Cross examined March 30, 1988.

“In the Matter of the Application of Utah Power and Light Company for an Order Approving a Power Purchase Agreement,” **Utah Public Service Commission**, Case No. 87-035-18. Oral testimony delivered July 8, 1987.

“Cogeneration: Small Power Production,” **Federal Energy Regulatory Commission**, Docket No. RM87-12-000. Statement on behalf of State of Utah delivered March 27, 1987, in San Francisco.

“In the Matter of the Investigation of Rates for Backup, Maintenance, Supplementary, and Standby Power for Utah Power and Light Company,” **Utah Public Service Commission**, Case No. 86-035-13. Direct testimony submitted January 5, 1987. Case settled by stipulation approved August 1987.

“In the Matter of the Application of Sunnyside Cogeneration Associates for Approval of the Cogeneration Power Purchase Agreement,” **Utah Public Service Commission**, Case No. 86-2018-01. Rebuttal testimony submitted July 16, 1986. Cross examined July 17, 1986.

“In the Matter of the Investigation of Demand-Side Alternatives to Capacity Expansion for Electric Utilities,” **Utah Public Service Commission**, Case No. 84-999-20. Direct testimony

submitted June 17, 1985. Rebuttal testimony submitted July 29, 1985. Cross examined August 19, 1985.

“In the Matter of the Implementation of Rules Governing Cogeneration and Small Power Production in Utah,” **Utah** Public Service Commission, Case No. 80-999-06, pp. 1293-1318. Direct testimony submitted January 13, 1984 (avoided costs), May 9, 1986 (security for levelized contracts) and November 17, 1986 (avoided costs). Cross-examined February 29, 1984 (avoided costs). April 11, 1985 (standard form contracts), May 22-23, 1986 (security for levelized contracts) and December 16-17, 1986 (avoided costs).

### **OTHER RELATED ACTIVITY**

Participant, Wyoming Load Growth Collaborative, March 2008 to present.

Participant, Oregon Direct Access Task Force (UM 1081), May 2003 to November 2003.

Participant, Michigan Stranded Cost Collaborative, March 2003 to March 2004.

Member, Arizona Electric Competition Advisory Group, December 2002 to present.

Board of Directors, ex-officio, Desert STAR RTO, September 1999 to February 2002.

Member, Advisory Committee, Desert STAR RTO, September 1999 to February 2002. Acting Chairman, October 2000 to February 2002.

Board of Directors. Arizona Independent Scheduling Administrator Association, October 1998 to present.

Acting Chairman, Operating Committee, Arizona Independent Scheduling Administrator Association, October 1998 to June 1999.

Member, Desert Star ISO Investigation Working Groups: Operations, Pricing, and Governance, April 1997 to December 1999. Legal & Negotiating Committee, April 1999 to December 1999.

Participant, Independent System Operator and Spot Market Working Group, Arizona Corporation Commission, April 1997 to September 1997.

Participant, Unbundled Services and Standard Offer Working Group, Arizona Corporation Commission, April 1997 to October 1997.

Participant, Customer Selection Working Group, Arizona Corporation Commission, March 1997 to September 1997.

Member, Stranded Cost Working Group, Arizona Corporation Commission, March 1997 to September 1997.

Member, Electric System Reliability & Safety Working Group, Arizona Corporation Commission, November 1996 to September 1998.

Chairman, Salt Palace Renovation and Expansion Committee, Salt Lake County/State of Utah/Salt Lake City, multi-government entity responsible for implementation of planning, design, finance, and construction of an \$85 million renovation of the Salt Palace Convention Center, Salt Lake City, Utah, May 1991 to December 1994.

State of Utah Representative, Committee on Regional Electric Power Cooperation, a joint effort of the Western Interstate Energy Board and the Western Conference of Public Service Commissioners, January 1987 to December 1990.

Member, Utah Governor's Economic Coordinating Committee, January 1987 to December 1990.

Chairman, Standard Contract Task Force, established by Utah Public Service Commission to address contractual problems relating to qualifying facility sales under PURPA, March 1986 to December 1990.

Chairman, Load Management and Energy Conservation Task Force, Utah Public Service Commission, August 1985 to December 1990.

Alternate Delegate for Utah, Western Interstate Energy Board, Denver, Colorado, August 1985 to December 1990.

Articles Editor, Economic Forum, September 1980 to August 1981.

### Example Rate Spread at a Hypothetical 2 Percent Revenue Reduction Using Kroger's Recommended Revenue Apportionment Approach

						Kroger Recommended Spread at Lower Revenue Requirement			
Line No.	Description	Current Revenue <sup>1</sup>	KU Proposed Revenue Change <sup>1</sup>	Percent Change at KU Proposed Revenue Change	KU Proposed Revenue	Class % of Proposed Revenue <sup>2</sup>	Recommended Revenue at an Assumed -2% Overall Rate Change	Revenue Change at an Assumed -2% Overall Rate Change	Percent Change at an Assumed -2% Overall Revenue Change
3	Total Residential	405,482,758	17,329,356	4.27%	422,812,114	38.32%	407,004,301	1,521,543	0.38%
2	General Service Rate GS - Secondary	135,552,885		0.00%	135,552,885	12.29%	130,484,925	(5,067,960)	-3.74%
3	General Service GS- Primary	2,926,095	446,784	15.27%	3,372,879	0.31%	3,246,776	320,681	10.96%
4	Total General Service	138,478,980	446,784	0.32%	138,925,764	12.59%	133,731,702	(4,747,278)	-3.43%
5	All Electric School Service Rate- AES	7,592,045	321,938	4.24%	7,913,983	0.72%	7,618,100	26,055	0.34%
6	Large Power Rate LPS - Secondary	208,284,552		0.00%	208,284,552	18.88%	200,497,350	(7,787,202)	-3.74%
7	Large Power Rate LPP - Primary	82,187,686		0.00%	82,187,686	7.45%	79,114,908	(3,072,778)	-3.74%
8	Large Power Rate LPT - Transmission	1,298,531	(70,621)	-5.44%	1,227,910	0.11%	1,182,002	(116,529)	-8.97%
9	Small Time-of-Day - STODS Secondary	8,895,156	82,070	0.92%	8,977,226	0.81%	8,641,592	(253,564)	-2.85%
10	Small Time-of-Day - STODP Primary	716,236	6,637	0.93%	722,873	0.07%	695,847	(20,389)	-2.85%
11	Small Time-of-Day - STODT Transmission					0.00%	0	0	
12	Total Combined Lighting and Power Service	301,382,162	18,086	0.01%	301,400,248	27.32%	290,131,699	(11,250,463)	-3.73%
13	Large Comm./Industrial Time-of-Day - LCI-TOD Primary	128,046,688		0.00%	128,046,688	11.61%	123,259,365	(4,787,323)	-3.74%
14	Large Comm./Industrial Time-of-Day - LCI-TOD Transmission	38,966,242	(38,022)	-0.10%	38,928,220	3.53%	37,472,798	(1,493,444)	-3.83%
15	Curtailable Service Riders - Primary - LCI-TOD Primary	(96,313)		0.00%	(96,313)	-0.01%	(92,712)	3,601	-3.74%
16	Curtailable Service Riders - Transmission - LCI-TOD Transmission	(5,446,292)		0.00%	(5,446,292)	-0.49%	(5,242,670)	203,622	-3.74%
17	Total Comm./Industrial Time-of-Day Service	161,470,325	(38,022)	-0.02%	161,432,303	14.63%	155,396,781	(6,073,544)	-3.76%
18	Large Industrial Time of Day	21,958,768		0.00%	21,958,768	1.99%	21,137,788	(820,980)	-3.74%
19	Coal Mining Power Service Rate - MP Primary	6,847,866	575,463	8.40%	7,423,329	0.67%	7,145,791	297,925	4.35%
20	Coal Mining Power Service Rate - MP Transmission	3,839,906	100,123	2.61%	3,940,029	0.36%	3,792,722	(47,184)	-1.23%
21	Total Coal Mine Power Time-of-Day Service	10,687,772	675,586	6.32%	11,363,358	1.03%	10,938,512	250,740	2.35%
22	Large Mine Power Time-of-Day Rate - LMP - TOD Primary	4,717,063	29,196	0.62%	4,746,259	0.43%	4,568,809	(18,254)	-3.14%
23	Large Mine Power Time-of-Day Rate - LMP - TOD Transmission	13,287,705	5,099	0.04%	13,292,804	1.20%	12,795,822	(491,883)	-3.70%
24	Total Large Mine Power Time-of-Day Service	18,004,768	34,295	0.19%	18,039,063	1.64%	17,364,631	(640,137)	-3.56%
25	Street Lighting - SL	7,253,212	304,645	4.20%	7,557,857	0.69%	7,275,289	22,077	0.30%
26	Decorative Street Lighting - SLDEC	1,284,346	61,720	4.81%	1,346,066	0.12%	1,295,740	11,394	0.89%
27	Private Outdoor Lighting - POL	4,108,666	195,020	4.75%	4,303,686	0.39%	4,142,783	34,117	0.83%
28	Customer Outdoor Lighting - OL	5,960,330	224,423	3.77%	6,184,753	0.56%	5,953,522	(6,808)	-0.11%
29	Total Private Outdoor Lighting Service	18,606,554	785,809	4.22%	19,392,363	1.76%	18,667,334	60,780	0.33%
30	Total Ultimate Consumers	1,083,664,132	19,573,832	1.81%	1,103,237,964	100.00%	1,061,990,849	(21,673,283)	-2.00%
31	Miscellaneous Service Revenue	8,694,818	2,536,808	29.17%	11,230,826		11,230,826	2,536,808	29.17%
32	Total Jurisdiction	1,092,358,950	22,109,840	2.02%	1,114,468,790		1,073,221,675	(19,137,275)	-1.75%

1. Data Source: Direct Testimony and Exhibits of William Steven Seelye Exhibit 4, Page 2.

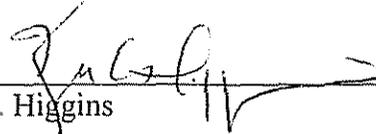
2. The class percentage of KU proposed revenue excludes miscellaneous revenue.

VERIFICATION

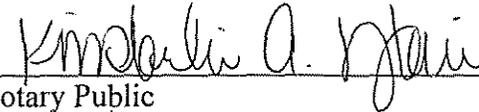
STATE OF UTAH )  
 )  
COUNTY OF SALT LAKE )

Kevin C. Higgins, being first duly sworn, deposes and states that:

1. He is a Principal with Energy Strategies, L.L.C., in Salt Lake City, Utah;
2. He is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Kevin C. Higgins;"
3. Said testimony was prepared by him and under his direction and supervision;
4. If inquiries were made as to the facts and schedules in said testimony he would respond as therein set forth; and
5. The aforesaid testimony and schedules are true and correct to the best of his knowledge, information and belief.

  
Kevin C. Higgins

Subscribed and sworn to or affirmed before me this 27<sup>th</sup> day of October, 2008, by Kevin C. Higgins.

  
Notary Public

My Commission Expires: April 10, 2011

