COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

DIRECT TESTIMONY

AND EXHIBITS

OF

STEPHEN J. BARON

ON BEHALF OF

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA

October, 2012

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DIRECT TESTIMONY OF STEPHEN J. BARON

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and business address.

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

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

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

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

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

Q. Please state your educational background and experience.

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

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

I have presented testimony as an expert witness in Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Michigan, Minnesota, Maryland, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Texas, Utah, Virginia, West Virginia, Wisconsin,

Wyoming, the Federal Energy Regulatory Commission and in United States Bankruptcy Court.

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

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

A. I am testifying on behalf of the Kentucky Industrial Utility Customers ("KIUC"), a group of large industrial customers taking service on the LG&E and KU systems. The KIUC members who take service from the Companies are: Carbide Industries LLC, Cemex, Clopay Plastics Products Co., Inc., Corning Incorporated, Dow Corning Corporation, E.I. DuPont de Nemours & Co., Ford Motor Co., AAK, USA K2 LLC, Lexmark International, Inc., MeadWestvaco, NewPage Corp., North American Stainless, Solae, Schneider Electric USA, and Toyota Motor Engineering and Manufacturing North America, Inc.

Q. Have you previously testified in KU and LG&E rate proceedings before the Kentucky Public Service Commission?

A. Yes. I have testified in 14 KU and LG&E cases since 1981.

Q. How have you organized your testimony with regard to LG&E and KU issues?

A. For many of the issues that I will discuss, I present common testimony that is applicable to both LG&E and KU. This would include discussions of basic principles associated with cost allocation and rate design. However, since the revenue requirement requests and the specific cost of service study results for LG&E and KU rate classes are different, I will be presenting separate analyses and discussions of these results.

For the purposes of organizing my testimony, when I am discussing an issue that is common to both LG&E and KU, I will refer to these companies as ("the Company" or the "Companies"). For a specific LG&E and KU issues I will refer to each Company by name (LG&E or KU).

Q. What is the purpose of your testimony?

A. I am presenting testimony on a variety of cost of service and rate design issues raised by the Company's filings in this case. The first issue that I address concerns the Company's filed cost of service study using the base-intermediate-peak ("BIP") class cost of service methodology. As I have testified in prior LG&E and KU cases, I do not believe that the BIP methodology is the most reasonable approach to class cost of service analysis. In particular, the BIP method tends to allocate an inappropriately large percentage of the Companies' production and transmission costs to high load factor industrial rate classes because a significant portion of these

production and transmission costs are classified as energy related (the base portion of the BIP method). Finally, I have identified an error in the Companies' BIP studies related to the treatment of curtailable revenues (CSR). As I will explain, the Companies have reflected actual test year revenues (including the test year level of the CSR credits), yet have used the proposed level of CSR credits as the cost of service "offset."[1] This mismatch creates a mathematical inaccuracy in the results of the Companies' BIP studies presented in this case.

In addition to a corrected BIP study, I believe that it is important for the Commission to consider alternative class cost of service methodologies. I have developed two alternative class cost of service studies for each of the Companies. These studies, a 5 highest coincident peak ("CP") methodology based on the approach used by PJM Interconnection, Inc. ("PJM") and a 12 CP methodology, each allocate production and transmission demand related costs using alternative approaches to the BIP method. Based on the results of the corrected BIP, PJM 5 CP and 12 CP cost of service studies, I recommend an apportionment of the overall revenue increase that 1) adopts the Companies' proposed increases for the residential classes (and special contract customers) and 2) applies a uniform percentage increase to all other rate classes.

[1] The Companies treat curtailable load as though it is "firm" load for cost of service purposes in their cost of service studies by crediting back the curtailable revenue credits actually paid to customers during the test year.

Finally, I will discuss and recommend an adjustment to LG&E's test year revenues to reflect an abnormal test year level of operation for Carbide Industries, LLC ("Carbide"). During the test year, Carbide operated at a significantly reduced level due to an explosion at the plant. I have calculated a pro-formed test year level of revenues reflecting a normal level of operations.

Q. Would you please summarize your testimony?

A. Yes. I recommend and conclude the following:

- **The BIP cost of service studies presented by the Companies in this case should be corrected to reflect a proper and consistent treatment of the test year level of curtailable (CSR) credits. The Commission should not rely on the Companies' studies because of this error. KIUC is presenting corrected BIP class cost of service studies.**

- **The Commission should consider a range of alternative cost of service studies using the PJM 5 CP and 12 CP methodologies, as well as the corrected BIP method to apportion the approved revenue increase for each Company. Based on the KIUC sponsored studies, and in consideration of economic development and gradualism, I recommend that the Companies' proposed increases for the residential and special contract customers be adopted, and that all other rate schedules receive a uniform equal percent increase.**

- **During the test year, Carbide Industries, LLC experienced an outage at its facility due to an explosion. This resulted in a significantly lower level of test year revenues from this LG&E customer. LG&E's test year operating income should be increase by $2.75 million to reflect a normal level of operation for the Carbide plant.**

II. CLASS COST OF SERVICE AND REVENUE APPORTIONMENT

Q. Have you reviewed the Companies' proposed "base-intermediate-peak" cost allocation methodology?

A. Yes. The BIP method is the class cost allocation method used by LG&E in prior cases and was used for the first time by KU in Case No. 2003-00434.

The basic methodology, as discussed by Company witness Robert Conroy, first functionalizes the Company's production and transmission demand-related costs into three periods. Under the Company's BIP functionalization that is used in both the LG&E and KU studies, total system production and transmission demand-related costs are assigned as follows:

	Assignment of Total P&T Costs
Base	**34.35%**
Winter Peak	**32.39%**
Summer Peak	**33.26%**

These functional allocators for the base, intermediate and peak periods are identical for both LG&E and KU under the Companies' methodology. Once the total production and transmission demand-related costs have been functionalized to these three categories, they are allocated to rate classes using three different class allocation factors. For the 34.35% of production and transmission demand-related costs that are assigned to the base period, costs are allocated using class energy use.

For the summer peak period costs that comprise 33.26% of all production and transmission demand-related costs, costs are allocated to classes based on class contributions to the summer system peak demand. Finally, for winter peak period costs that comprise 32.39% of the Company's total production and transmission demand-related costs under the BIP method, costs are assigned based on each customer classes' contribution to the winter coincident peak.

Q. Have these BIP percentages changed materially from the Companies' 2008 and 2009 base rate cases?

A. Yes. First, in the 2008 rate case, the "peak" period in the BIP method was the summer peak. This is consistent with the importance of the summer peak in driving generating capacity additions on the Companies' systems. In the 2008, only 15.32% of the system production and transmission costs were assigned to the winter ("intermediate") period, with over 50% of costs assigned to the summer period. In the 2009 case, the "peak" period became the winter peak, with 43.3% of the system production and transmission costs allocated based on rate class winter demands. In this current 2012 case, the BIP model assigns slightly more costs to the summer peak than to the winter peak (though the percentages are approximately equal). These dramatic changes in the BIP percentages demonstrate that the BIP methodology produces questionable results that should not be the sole basis for cost allocation if rate continuity and consistency are considered important policy goals. Table 1 below shows a comparison of the BIP percentage factors used to assign

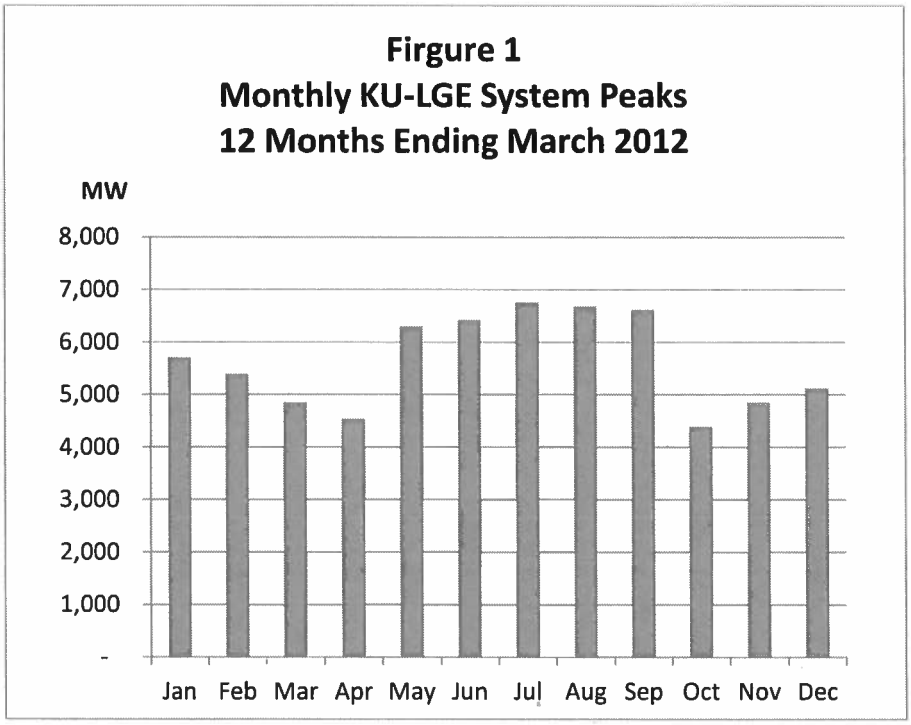
production and transmission costs to the base, intermediate and peak periods in the Companies' current and previous two cases.

Table 1
Comparison of BIP Classification Percentages

	2012	2009	2008
Base	34.35%	34.89%	33.89%
Intermediate (Winter)	32.39%	43.25%	15.32%
Peak (Summer)	33.26%	21.86%	50.78%

Q. Has this shift in cost responsibility away from the summer winter peak affected the class cost of service results under the BIP method?

A. Yes. As the BIP method shifts greater cost responsibility to the intermediate, winter peak from the summer peak, the results of the class cost of service study shifts. Given the significance of the Companies' summer peak, this tends to shift costs from the residential class to higher load factor large customer classes, particularly for LG&E. Figure 1 below shows a chart of monthly LG&E/KU (combined) system peaks for the test year. This chart clearly demonstrates the significance of the summer system peak, yet only 33% of the system's production and transmission plant and fixed O&M expenses are being allocated on the basis of rate class summer peak demands. This is a particular issue for LG&E, where the residential class contributes significantly to the LG&E summer peak, with a much smaller contribution to the winter peak. As a result, for LG&E, the class cost of service study understates the cost responsibility of the residential class.



Q. What are the implications of this change in the summer and winter cost responsibility under the BIP method?

A. The shift away from the summer peak predominance in the BIP methodology has different impacts on LG&E and KU. Because KU is a winter peaking Company and LG&E is a summer peaking Company (at least in the test year), the BIP methodology based on a combined system peak may no longer be the most appropriate methodology for the combined system load characteristics. Also, the BIP methodology implies that the cost to serve customer load in the summer and winter periods is approximately equal, yet the Companies' tariffs tell a different story. For example, LG&E's ITOD Primary rate has a summer peak period demand

charge of $10.12 per kW and a winter peak demand charge of $7.32 per kW. This implies that it is 38% more costly to serve summer peak loads than winter peak loads. The BIP cost of service study implies that the costs are almost equal. Furthermore, there is no sound reason to assign any fixed transmission costs on the basis of energy, which is what occurs during the base period and this is another flaw with the BIP method. As I will discuss below, I believe that it is appropriate for the Commission to consider alternative cost of service methodologies in setting rates in this case.

Q. Notwithstanding your previous recommendation for the Commission to consider alternative cost of service methods, have you identified any specific technical problems with the Companies' BIP class cost of service studies?

A. Yes. The Companies are proposing to significantly reduce the current level of curtailable credits (CSR credits) for large industrial customers.[2] The Companies have developed their class cost of service studies using a curtailable credit offset methodology, following their previous practice. This approach allocates costs to non-firm load (rate classes, such as KU's Rate FLS that have curtailable load) as though the curtailable customer was actually a firm load customer. Essentially, the purpose of the class cost of service study is to measure the cost to serve each class as though it consisted entirely of firm load customers. Since the curtailable credit is

[2] KIUC strongly opposes the Companies proposed decreases in curtailable credits in this case. KIUC witness Dennis Goins addresses this issue.

separately determined using an avoided cost based methodology, this cost of service approach is focused entirely on the base rates of each customer class (not the CSR credit levels). The problem, as I will discuss below, is that test year book revenue already includes the effect (reduction) of CSR credits for curtailable load. If this book revenue is used in the cost of service study, without adjustment, it would understate the operating income used to compute rate of return for rate classes with CSR credits. To address this problem, LG&E and KU add-back the CSR credits to each rate class that received these credits for purposes of calculating test year cost of service (and rate of return). While I don't have an objection to this CSR credit/add back methodology, the Companies' studies in this case used a mathematically inconsistent level of curtailable credits (CSR credits) to develop class cost of service and rates of return at present rates.

The specific problem with the Companies' cost of service studies is that there is a mismatch between the test year revenues reported for the rate classes with curtailable load (which reflects the test year level of CSR credits in the Companies' rates) and the "added-back" level of CSR credits reflected in the LG&E and KU cost of service studies. In sum, the Companies inappropriately used their proposed CSR credits as the add-back, and these proposed credits are significantly lower than the test year level. Because the Companies are proposing to cut the curtailable credits in half, this mismatch makes it appear that the curtailable customers are dramatically under-paying. This methodological problem results in an inaccurate and biased cost

of service study. I should note that if the Companies were proposing to increase the curtailable credit, then the mismatch would make it appear that the curtailable customers were dramatically over-paying. The correct approach is to add-back the CSR credits that were actually in effect during the test year.

To understand this problem, a further illustration may be helpful. Assume that a large industrial rate class consists of a single customer with test year firm load revenues of $1,000,000 and a CSR credit of $300,000, producing net test year revenues of $700,000. As is the situation in this current rate case, assume that the Companies are requesting a 50% reduction in CSR credits so that this customer would only receive $150,000 in CSR credits. The purpose of the class cost of service study, as modeled by LG&E and KU in this case, is to assess how current firm load rates compare to cost of service. Since the customer's test year revenues reflect a CSR credit of $300,000, it is necessary to add-back the $300,000 if an accurate measure of present firm load rates is to be developed. The problem in the Companies' cost of service studies here is that LG&E and KU added-back their proposed level of CSR credits so that the adjusted revenue for rate classes with CSR credits understated the true level of revenue support provided by present firm load rates. This results in an inaccurate and biased measure of test year rates of return at present rates for these rate classes. Effectively, the Companies' cost of service studies would report that rate classes with CSR credits are not covering their cost responsibility at present rates even if these present rates were in fact cost based. I

should note that this cost of service issue has nothing to do with the reasonableness of the Companies' proposal to reduce the CSR credits in this case – it would be incorrect to model class cost of service using mismatched CSR credits whether the Companies were proposing to increase, decrease (as is the situation in this case) or keep constant the CSR credits. The issue is simply that the CSR credit add-back must be the same as the actual level of CSR in the test year in order for the class cost of service study to accurately measure cost of service.

Q. What is the significance of the Companies improperly adjusting CSR revenue credits in their class cost of service studies in this case?

A. The impact is very significant for some rate classes, such as KU's Rate FLS. During the test year, Rate FLS revenue reflected CSR credits of $5.40/kW. This is the actual CSR revenue credits received by the single customer taking service on Rate FLS and the amount that is included in FLS rate schedule revenues in the KU BIP cost of service study. In order for the cost of service study to properly portray the test year level of rate of return on rate base for rate FLS (again, under the assumption that the entire rate class is comprised of firm load), it is necessary to add-back (offset) the CSR credits actually paid to FLS. But the Company only added back KU's proposed CSR credit amount for FLS ($2.75/kW), not the amount actually paid out during the test year. This mismatch produces a significant bias in the reported test year rate of return for KU's rate FLS – effectively the Company's proposed 50% decrease in the CSR credit is incorrectly being attributed to the FLS

base rate earned rate of return (i.e., KU Rate FLS is reported as having earned a negative1.59% rate of return). If this error is not corrected, one would assume that rate FLS (irrespective of the level of CSR credit) is significantly below cost of service. As I noted earlier, this mismatch would work in reverse if the Companies were proposing to increase the curtailable credit, as it would appear that FLS was paying significantly above cost.

Q. How should the cost of service study be corrected to properly measure the test year rates of return for each rate class?

A. The cost of service study should add-back the actual level of curtailable credits in effect during the test year, to match the test year level of revenues used in the class cost of service study. This correction must be made to the cost of service study at present rates, regardless of whether the Commission adopts the Companies' proposed reductions in curtailable credits.

Q. Have you corrected the KU and LG&E BIP cost of service studies to fix this problem?

A. Yes. Baron Exhibits__(SJB-2) and (SJB-3) show a summary of the corrected BIP cost of service studies. Table 2 below summarizes the corrected rates of return for LG&E and KU. Also shown are the Companies' results.

Table 2
LG&E -KU Class Cost of Service Summay
Summary of Corrected Rates of Return by Class

	LG&E		KU	
	As-Filed BIP	KIUC Corrected BIP	As-Filed BIP	KIUC Corrected BIP
Residential	3.59%	3.57%	3.97%	3.86%
General Service	10.33%	10.30%	8.72%	8.61%
All Electric Schools			7.25%	7.13%
Power Service Sec	10.60%	10.57%	10.51%	10.39%
Power Service Pri	12.41%	12.39%	8.52%	8.43%
TOD Secondary	7.17%	7.14%	5.83%	5.70%
TOD Primary Lines	5.56%	5.56%	5.89%	5.79%
Retail Transmission Service	4.65%	5.37%	6.06%	5.91%
Fluctuating Load Service			-1.59%	5.24%
Lighting	8.73%	8.73%	7.13%	7.13%
Special Contracts	0.71%	0.68%		
Total System	6.14%	6.14%	6.02%	6.02%

As can be seen, the largest impact of this correction is for KU's FLS rate, which has a substantial amount of CSR load. The Company's reported rate of return for rate FLS of -1.59% increases to 5.24% when properly corrected.

Q. In addition to correcting the Companies' BIP cost of service studies, have you also developed any alternative class cost of service studies using other production and transmission demand allocation methodologies?

A. Yes. In order to develop a better understanding of the cost to serve each of LG&E's and KU's rate classes, I also present a two alternative cost of service studies based

on the 5 highest coincident peak method (PJM 5 CP) and the 12 CP method. The purpose of these presentations is to present cost of service results for each rate class under a variety of traditional cost of service studies, and the implications of such alternative methods on the Companies' proposals for rate class revenue apportionment in this case.[3]

Q. Would you please describe the additional studies that you have developed to assess the contributions of each customer class to the Company's overall cost of service

A. Yes. Baron Exhibits ____(SJB-4) and (SJB-5) contain summary results of the two alternative cost of service studies for KU. Each of these studies incorporates the CSR correction that I previously discussed with regard to the Companies' BIP cost of service studies.

The first alternate cost of service study utilizes a variant of the 5 CP cost allocation methodology, which I am referring to as the PJM 5 CP method. The traditional 5 CP method allocates production and transmission demand costs on rate class contributions to the 5 highest monthly system peaks. The PJM 5 CP method allocates these demand related costs on rate class contributions to the 5 highest system peaks, regardless of when they occur. This methodology is used by PJM to

[3] For example, Kentucky Power Company and Big Rivers Electric Corporation use a 12 CP methodology and East Kentucky Power Cooperative uses a 6 CP methodology.

assign capacity obligations to load serving entities within a load zone and is thus being used by a significant number of utilities.[4] PJM uses this methodology to assign generation capacity obligations within load zones (such as AEP).

The second alternative cost of service study that I developed uses a traditional 12 CP production/transmission demand allocation methodology. The Commission recently adopted the 12 CP method for Big Rivers Electric Cooperative and Kentucky Power Company has traditionally used the 12 CP method for retail cost of service studies in Kentucky.

Q. What do the studies show with regard to the rate of return paid by the residential class and the all-electric residential class?

A. Table 3 summarizes the rates of return for each rate class produced by each alternative cost of service study, the corrected BIP study and the Company's filed BIP cost study. Also shown is a simple average of these results (excluding the Company's filed study) across all studies and a relative rate of return index.

[4] Kentucky Power Company, an AEP subsidiary is a member of PJM and East Kentucky Power Cooperative is proposed to be a PJM member.

Table 3
Comparison of Corrected BIP and Alternative Class Cost of Service Studies

	KU BIP As-Filed	Corrected BIP	12 CP	PJM 5 CP	Average*	Index
Adjusted Rates of Return						
Residential	3.97%	3.86%	3.42%	3.91%	3.73%	0.62
General Service	8.72%	8.61%	9.44%	8.28%	8.78%	1.46
All Electric Schools	7.25%	7.13%	4.46%	9.10%	6.90%	1.15
Power Service Sec	10.51%	10.39%	11.19%	9.43%	10.33%	1.72
Power Service Pri	8.52%	8.43%	8.95%	7.39%	8.26%	1.37
TOD Secondary	5.83%	5.70%	6.75%	5.42%	5.96%	0.99
TOD Primary Lines	5.89%	5.79%	6.08%	5.63%	5.83%	0.97
Retail Transmission Service	6.06%	5.91%	6.64%	6.55%	6.37%	1.06
Fluctuating Load Service	-1.59%	5.24%	5.28%	16.07%	8.87%	1.47
Lighting	7.13%	7.13%	7.40%	8.03%	7.52%	1.25
Total System	6.02%	6.02%	6.02%	6.02%	6.02%	1.00

* Average of Corrected BIP, 12 CP and PJM 5 CP

As can be seen from each of the exhibits summarizing the studies evaluated, the residential class pays substantially below the average system rate of return, regardless of the cost of service methodology. Under each of these methods, the residential class barely covers its cost of service expenses and provides only a small portion of its share of KU's return. Even under the Company's BIP method, which generally favors low load factor classes such as the residential class because of its use of an energy allocator for a substantial part of the fixed generation and transmission costs, the Company's residential class is only paying a rate of return on investment of 3.97%, compared to the system average rate of return of 6.02%.

Q. What conclusions do you draw from these relative rates of return using a variety of cost of service methods?

A. Under each method, residential customers are barely contributing any amount to the Company's overall return on investment. At the same time, all other customer classes are paying at, or substantially above the system average rate of return. The fact that this result occurs under a variety of cost of service methodologies suggests that it is not simply the selection of a cost of service method that is producing these results, but rather it is a clear indicator that substantial subsidies received by the residential class.

Q. Have you prepared similar analyses for LG&E?

A. Yes. Baron Exhibits ____(SJB-6) and (SJB-7) contain cost of service study results for LG&E reflecting the same two alternative methodologies and the corrected BIP study.

Q. Do the LG&E cost of service study results, under each of the cost study methods lead to similar conclusions?

A. Yes. Table 4 summarizes the results of each of the cost of service studies that I developed for LG&E. As can be seen, the average rate of return index for the residential class is 0.49, which means that the residential class is only paying a rate of return on investment at half the rate of the average customer (the Special Contract

class is also at a very low rate of return). All other rate classes are above the system rate of return, some significantly above.

Table 4
Comparison of Corrected BIP and Alternative Class Cost of Service Studies

	LGE BIP As-Filed	Corrected BIP	12 CP	PJM 5 CP	Average*	Index
Adjusted Rates of Return						
Residential	3.59%	3.57%	2.85%	2.61%	3.01%	0.49
General Service	10.33%	10.30%	10.50%	10.41%	10.40%	1.70
Power Service Sec	12.41%	12.39%	14.56%	15.08%	14.01%	2.28
Power Service Pri	10.60%	10.57%	11.55%	11.56%	11.23%	1.83
TOD Secondary	7.17%	7.14%	8.93%	9.72%	8.60%	1.40
TOD Primary Lines	5.56%	5.56%	6.78%	7.70%	6.68%	1.09
Retail Transmission Service	4.65%	5.37%	8.15%	10.82%	8.11%	1.32
Lighting	8.73%	8.73%	9.18%	10.24%	9.39%	1.53
Special Contracts	0.71%	0.68%	2.06%	3.05%	1.93%	0.31
Total System	6.14%	6.14%	6.14%	6.14%	6.14%	1.00

* Average of Corrected BIP, 12 CP and PJM 5 CP

III. APPORTIONMENT OF THE REVENUE INCREASE TO RATE CLASSES

Q. How are the Companies proposing to apportion the overall revenue increase to rate classes in this case?

A. Tables 5 and 6 below summarize the LG&E and KU rate class revenue increases proposed by the Companies in this case.

Table 5
Louisville Gas and Electric
Proposed Revenue Increases

	Adjusted Revenues	Increase	Percentage Increase
Residential Rate - RS	351,464,526	30,238,063	8.60%
General Service Rate - GS	132,545,123	6,743,615	5.09%
Power Service Rate	191,236,194	8,781,869	4.59%
Time of Day Secondary Service TODS	40,349,030	2,631,417	6.52%
Time of Day Primary Service TODP	112,544,954	8,107,174	7.20%
Retail Transmission Service -- RTS	29,758,402	2,243,796	7.54%
Special Contract -- Customer #1	11,939,461	1,195,733	10.01%
Special Contract -- Customer #2	3,059,071	219,964	7.19%
Curtailable Service Riders - CSR10	(200,398)	98,377	-49.09%
Curtailable Service Riders - CSR30	(978,336)	607,579	-62.10%
Total Lighting Service	17,877,229	895,629	5.01%
TOTAL ULTIMATE CONSUMERS	889,595,256	61,763,217	6.94%
Other Revenues	11,040,752	294,670	
TOTAL JURISDICTIONAL	900,636,008	62,057,887	6.89%

Both Companies relied on the results of the BIP cost of service study and assigned rate class increases "to eliminate 15% of the subsidy received/(provided) between rate classes."[5]

Table 6
Kentucky Utilities
Proposed Revenue Increases

	Adjusted Revenues	Increase	Percentage Increase
Residential Rate - RS	465,594,910	37,381,886	8.03%
General Service Rate - GS	182,298,333	9,061,201	4.97%
All Electric Schools	10,931,146	635,467	5.81%
Power Service Rate	270,380,705	6,849,989	2.53%
Time of Day Secondary Service TODS	28,930,923	1,907,198	6.59%
Time of Day Primary Service TODP	186,982,312	12,380,611	6.62%
Retail Transmission Service -- RTS	78,952,085	5,128,398	6.50%
Fluctuating Load Service - FLS	22,679,564	1,417,956	6.25%
Curtailable Service Riders - CSR10	(11,139,629)	5,466,756	-49.07%
Curtailable Service Riders - CSR30	-	-	0.00%
Total Lighting Service	23,563,269	1,274,288	5.41%
TOTAL ULTIMATE CONSUMERS	1,259,173,618	81,503,750	6.47%
Other Revenues	10,732,429	929,141	8.66%
TOTAL JURISDICTIONAL	1,269,906,047	82,432,891	6.49%

Q. Do you support the Companies' proposed rate class revenue apportionments?

A. No. Based on the results of the alternative class cost of service studies, including the corrected BIP studies, I believe that the Companies' revenue increase

[5] Conroy LG&E Direct Testimony at page 43, line 5; Conroy KU Direct Testimony at page 28, line 15.

apportionment should be modified. For both Companies I am recommending that adoption of the Companies' proposal to increase the Residential class (and the LG&E Special Contract customers), but apply a uniform increase to all of the remaining rate classes on which commercial, industrial and lighting customers take service. There are a number of reasons for my recommendation. First, the cost of service results show that each of these other rate classes are producing rates of return at, or substantially above cost of service. Second, while it is true that some rate classes are substantially above cost of service and other commercial and industrial classes are at cost, the Commission should consider the overall impact of large industrial customers, particularly manufacturing customers on the State's economic development. KIUC's alternative increases for LG&E and KU provides some mitigation of the impact of the Companies' requested revenue increases to large industrial customers who, unlike smaller commercial customers, face competition from outside Kentucky and bring export dollars into the economy. Commercial customers tend to be population based and face local competition so that there are minimal differences in power costs among competitors. This is in contrast to large industrial manufacturing customers that face national and international competition. KIUC's recommendation is consistent with cost of service principles and serves a broader interest by helping to insure the competiveness of Kentucky high wage, high benefit and family supportive manufacturing jobs. I should also note that manufacturing jobs tend to have high job multipliers. That is, for every one

manufacturing job created or saved about two additional support-related jobs are created.

Tables 7 and 8 present KIUC's proposed revenue increases for LG&E and KU. Of course, to the extent that the Commission authorizes a lower overall increase for either Company, the increases shown in Tables 7 and 8 should be adjusted on a proportionate basis consistent with the Commission's authorized revenue increase.

Table 7
Louisville Gas and Electric
KIUC Proposed Revenue Increases

	Adjusted Revenues	Increase	Percentage Increase
Residential Rate - RS	351,464,526	30,238,063	8.60%
General Service Rate - GS	132,545,123	7,433,167	5.61%
Power Service Rate	191,236,194	10,724,578	5.61%
Time of Day Secondary Service TODS	40,349,030	2,262,785	5.61%
Time of Day Primary Service TODP	112,544,954	6,311,552	5.61%
Retail Transmission Service -- RTS	29,758,402	1,668,859	5.61%
Special Contract -- Customer #1	11,939,461	1,195,733	10.01%
Special Contract -- Customer #2	3,059,071	219,964	7.19%
Curtailable Service Riders - CSR10*	(200,398)	98,377	-49.09%
Curtailable Service Riders - CSR30*	(978,336)	607,579	-62.10%
Total Lighting Service	17,877,229	1,002,560	5.61%
TOTAL ULTIMATE CONSUMERS	889,595,256	61,763,217	6.94%
Other Revenues	11,040,752	294,670	
TOTAL JURISDICTIONAL	900,636,008	62,057,887	6.89%

***KIUC opposes these LG&E proposed reductions in the CSR Credits. KIUC is recommending increases in CSR credits of approximately 2.5%.**

Table 8
Kentucky Utilities
KIUC Proposed Revenue Increases

	Adjusted Revenues	Increase	Percentage Increase
Residential Rate - RS	465,594,910	37,381,886	8.03%
General Service Rate - GS	182,298,333	8,756,805	4.80%
All Electric Schools	10,931,146	525,084	4.80%
Power Service Rate	270,380,705	12,987,893	4.80%
Time of Day Secondary Service TODS	28,930,923	1,389,714	4.80%
Time of Day Primary Service TODP	186,982,312	8,981,803	4.80%
Retail Transmission Service -- RTS	78,952,085	3,792,509	4.80%
Fluctuating Load Service - FLS	22,679,564	1,089,426	4.80%
Curtailable Service Riders - CSR10*	(11,139,629)	5,466,756	-49.07%
Curtailable Service Riders - CSR30*	-	-	0.00%
Total Lighting Service	23,563,269	1,131,875	4.80%
TOTAL ULTIMATE CONSUMERS	1,259,173,618	81,503,750	6.47%
Other Revenues	10,732,429	929,141	8.66%
TOTAL JURISDICTIONAL	1,269,906,047	82,432,891	6.49%

***KIUC opposes these KU proposed reductions in the CSR Credits. KIUC is recommending increases in CSR credits of approximately 2.5%.**

Q. KIUC is recommending an overall revenue decrease in this case. In the event that the Commission adopts KIUC's position and orders a rate reduction, do you have a recommended allocation of such a decrease?

A. Yes. I recommend that any overall revenue decrease be allocated on a uniform basis to each rate schedule.

Q. Do you have any other concerns regarding the Companies' proposed revenue increases in this case?

A. Yes. LG&E is proposing to merge rate schedules CTODP and ITODP in this case. While I do not oppose this merger conceptually, I do oppose LG&E's specific proposal to merge these two rates in this case because of the very large, disparate rate increases that the Company is proposing for CTODP and ITODP. Based on the Mr. Conroy's Exhibit R-5, pages 7 and 8, LG&E's proposed TODP merged rate will result in a rate decrease of 1.8% for commercial customers currently on CTODP and a rate increase of 9.7% for industrial customers currently on ITODP.

Q. Does the cost of service study support these large differences in the increases (decrease for commercial customers) that the Company is proposing?

A. No. The Company's class cost of service study, which is presented on a merged basis, does not support any differences in the increases to current CTODP and ITODP customers.

Q. What is your recommendation on this issue?

A. Because of the very large differences, and particularly the large relative increase that the Company is proposing for industrial customers on ITODP, I oppose the proposed merger of CTODP and ITODP. The ratemaking principle of gradualism and the Company's own cost of service study supports my recommendation. I recommend that each of these rates receive that same, uniform percentage increase.

IV. TEST YEAR REVENUE ADJUSTMENTS

Q. Have you identified any problems with LG&E's test year level of revenues at present rates?

A. Yes. As discussed by Carbide witness John Grant, Carbide experienced an explosion at its plant during 2011 that significantly reduced the level of energy and demand usage during the period in which the plant was being rebuilt. This outage occurred during the test year used by LG&E in this case (12 months ending March 2012), which has the effect of significantly understating the level of revenues that LG&E will actually receive from Carbide once rates are in effect. As explained by Mr. Grant, the Carbide facility is now back in full operation, with revenues exceeding $800,000 per month, compared to the test year level used by LG&E for this customer of approximately $126,000 per month.

Q. Have you prepared an adjustment to test year operating income to reflect a normalized level of operation for the Carbide facility?

A. Yes. Using the same methodology used by LG&E to adjust the test year for "year-end" customers, I prepared an analysis to remove the actual test year revenues and expenses associated with the Carbide facility and replace it with a normalized revenue level based on Carbide's actual August 2012 billing amount from LG&E. As I indicated, I used the methodology presented by Mr. Conroy in his Exhibit P-5 ("Year-End Customer Adjustments"). Table 9 below summarizes the results of my

analysis, which shows that LG&E's test year net operating income before taxes should be increased by $2,745,082. As can be seen in the table, during the test year, Carbide took service on Rate ITOD, while after the plant repairs Carbide is taking service on Rate RTS. The net revenue increase to LG&E, over the level assumed by the Company in its rate filing is $8,268,986. Using Mr. Conroy's "operating ratio" factor of 0.66802673, I developed an offsetting expense adjustment which is then used to compute the net operating income before taxes adjustment of $2,745,082. I have provided this adjustment to KIUC witness Kollen.

Table 9
Carbide Revenue Pro Forma Summary

Test Year Revenues - ITOD	$ 1,312,829
Pro Formed Revenues - RTS	$ 9,581,815
Net Revenue Adjustment	$ 8,268,986
Operating Ratio	0.66802673
Expense Adjustment	$ 5,523,904
Net Operating Income Adjustment Before Taxes	$ 2,745,082

Q. Does that complete your testimony?

A. Yes.

AFFIDAVIT

STATE OF GEORGIA)

COUNTY OF FULTON)

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

Stephen J. Baron

Sworn to and subscribed before me on this
3rd day of October 2012.

Notary Public

JESSICA K INMAN
NOTARY PUBLIC
CHEROKEE COUNTY, GEORGIA
MY COMMISSION EXPIRES
JULY 31, 2016

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBITS

OF

STEPHEN J. BARON

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBIT__(SJB-1)

OF

STEPHEN J. BARON

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

Date	Case	Jurisdict.	Party	Utility	Subject
4/81	203(B)	KY	Louisville Gas & Electric Co.	Louisville Gas & Electric Co.	Cost-of-service.
4/81	ER-81-42	MO	Kansas City Power & Light Co.	Kansas City Power & Light Co.	Forecasting.
6/81	U-1933	AZ	Arizona Corporation Commission	Tucson Electric Co.	Forecasting planning.
2/84	8924	KY	Airco Carbide	Louisville Gas & Electric Co.	Revenue requirements, cost-of-service, forecasting, weather normalization.
3/84	84-038-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Excess capacity, cost-of-service, rate design.
5/84	830470-EI	FL	Florida Industrial Power Users' Group	Florida Power Corp.	Allocation of fixed costs, load and capacity balance, and reserve margin. Diversification of utility.
10/84	84-199-U	AR	Arkansas Electric Energy Consumers	Arkansas Power and Light Co.	Cost allocation and rate design.
11/84	R-842651	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Interruptible rates, excess capacity, and phase-in.
1/85	85-65	ME	Airco Industrial Gases	Central Maine Power Co.	Interruptible rate design.
2/85	I-840381	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Load and energy forecast.
3/85	9243	KY	Alcan Aluminum Corp., et al.	Louisville Gas & Electric Co.	Economics of completing fossil generating unit.
3/85	3498-U	GA	Attorney General	Georgia Power Co.	Load and energy forecasting, generation planning economics.
3/85	R-842632	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
5/85	84-249	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design return multipliers.
5/85		City of	Chamber of	Santa Clara	Cost-of-service, rate design.

Expert Testimony Appearances
of
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As of September 2012

Date	Case	Jurisdict.	Party	Utility	Subject
		Santa Clara	Commerce	Municipal	
6/85	84-768-E-42T	WV	West Virginia Industrial Intervenors	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
6/85	E-7 Sub 391	NC	Carolina Industrials (CIGFUR III)	Duke Power Co.	Cost-of-service, rate design, interruptible rate design.
7/85	29046	NY	Industrial Energy Users Association	Orange and Rockland Utilities	Cost-of-service, rate design.
10/85	85-043-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Regulatory policy, gas cost-of-service, rate design.
10/85	85-63	ME	Airco Industrial Gases	Central Maine Power Co.	Feasibility of interruptible rates, avoided cost.
2/85	ER-8507698	NJ	Air Products and Chemicals	Jersey Central Power & Light Co.	Rate design.
3/85	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve, prudence, off-system sales guarantee plan.
2/86	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Optimal reserve margins, prudence, off-system sales guarantee plan.
3/86	85-299U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Cost-of-service, rate design, revenue distribution.
3/86	85-726-EL-AIR	OH	Industrial Electric Consumers Group	Ohio Power Co.	Cost-of-service, rate design, interruptible rates.
5/86	86-081-E-GI	WV	West Virginia Energy Users Group	Monongahela Power Co.	Generation planning economics, prudence of a pumped storage hydro unit.
8/86	E-7 Sub 408	NC	Carolina Industrial Energy Consumers	Duke Power Co.	Cost-of-service, rate design, interruptible rates.
10/86	U-17378	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Excess capacity, economic analysis of purchased power.
12/86	38063	IN	Industrial Energy	Indiana & Michigan	Interruptible rates.

Expert Testimony Appearances
of
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Date	Case	Jurisdict.	Party	Utility	Subject
			Consumers	Power Co.	
3/87	EL-86-53-001 EL-86-57-001	Federal Energy Regulatory Commission (FERC)	Louisiana Public Service Commission Staff	Gulf States Utilities, Southern Co.	Cost/benefit analysis of unit power sales contract.
4/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Load forecasting and imprudence damages, River Bend Nuclear unit.
5/87	87-023-E-C	WV	Airco Industrial Gases	Monongahela Power Co.	Interruptible rates.
5/87	87-072-E-G1	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Analyze Mon Power's fuel filing and examine the reasonableness of MP's claims.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic dispatching of pumped storage hydro unit.
5/87	9781	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Analysis of impact of 1986 Tax Reform Act.
6/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Economic prudence, evaluation of Vogtle nuclear unit - load forecasting, planning.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in plan for River Bend Nuclear unit.
7/87	85-10-22	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Methodology for refunding rate moderation fund.
8/87	3673-U	GA	Georgia Public Service Commission	Georgia Power Co.	Test year sales and revenue forecast.
9/87	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Excess capacity, reliability of generating system.
10/87	R-870651	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Interruptible rate, cost-of-service, revenue allocation, rate design.

Expert Testimony Appearances
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Date	Case	Jurisdict.	Party	Utility	Subject
10/87	I-860025	PA	Pennsylvania Industrial Intervenors		Proposed rules for cogeneration, avoided cost, rate recovery.
10/87	E-015/ GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Excess capacity, power and cost-of-service, rate design.
10/87	8702-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue forecasting, weather normalization.
12/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light Power Co.	Excess capacity, nuclear plant phase-in.
3/88	10064	KY	Kentucky Industrial Energy Consumers	Louisville Gas & Electric Co.	Revenue forecast, weather normalization rate treatment of cancelled plant.
3/88	87-183-TF	AR	Arkansas Electric Consumers	Arkansas Power & Light Co.	Standby/backup electric rates.
5/88	870171C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
6/88	870172C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Cogeneration deferral mechanism, modification of energy cost recovery (ECR).
7/88	88-171-EL-AIR 88-170-EL-AIR Interim Rate Case	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison	Financial analysis/need for interim rate relief.
7/88	Appeal of PSC	19th Judicial Docket U-17282	Louisiana Public Service Commission Circuit Court of Louisiana	Gulf States Utilities	Load forecasting, imprudence damages.
11/88	R-880989	PA	United States Steel	Camegie Gas	Gas cost-of-service, rate design.
11/88	88-171-EL-AIR 88-170-EL-AIR	OH	Industrial Energy Consumers	Cleveland Electric/ Toledo Edison. General Rate Case.	Weather normalization of peak loads, excess capacity, regulatory policy.
3/89	870216/283 284/286	PA	Armco Advanced Materials Corp.,	West Penn Power Co.	Calculated avoided capacity, recovery of capacity payments.

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Date	Case	Jurisdict.	Party	Utility	Subject
			Allegheny Ludlum Corp.		
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cost-of-service, rate design.
8/89	3840-U	GA	Georgia Public Service Commission	Georgia Power Co.	Revenue forecasting, weather normalization.
9/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Prudence - Palo Verde Nuclear Units 1, 2 and 3, load fore-casting.
10/89	2262	NM	New Mexico Industrial Energy Consumers	Public Service Co. of New Mexico	Fuel adjustment clause, off-system sales, cost-of-service, rate design, marginal cost.
11/89	38728	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Excess capacity, capacity equalization, jurisdictional cost allocation, rate design, interruptible rates.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Jurisdictional cost allocation, O&M expense analysis.
5/90	890366	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Non-utility generator cost recovery.
6/90	R-901609	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Allocation of QF demand charges in the fuel cost, cost-of-service, rate design.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost-of-service, rate design, revenue allocation.
12/90	U-9346 Rebuttal	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Demand-side management, environmental extemalities.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, jurisdictional allocation.
12/90	90-205	ME	Airco Industrial Gases	Central Maine Power Co.	Investigation into interruptible service and rates.

Expert Testimony Appearances
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Date	Case	Jurisdict.	Party	Utility	Subject
1/91	90-12-03 Interim	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Interim rate relief, financial analysis, class revenue allocation.
5/91	90-12-03 Phase II	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Revenue requirements, cost-of-service, rate design, demand-side management.
8/91	E-7, SUB SUB 487	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Revenue requirements, cost allocation, rate design, demand-side management.
8/91	8341 Phase I	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, rate design, 1990 Clean Air Act Amendments.
8/91	91-372 EL-UNC	OH	Armco Steel Co., L.P.	Cincinnati Gas & Electric Co.	Economic analysis of cogeneration, avoid cost rate.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
9/91	91-231 -E-NC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	8341 - Phase II	MD	Westvaco Corp.	Potomac Edison Co.	Economic analysis of proposed CWIP Rider for 1990 Clean Air Act Amendments expenditures.
10/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Results of comprehensive management audit.
Note: No testimony was prefiled on this.					
11/91	U-17949 Subdocket A	LA	Louisiana Public Service Commission Staff	South Central Bell Telephone Co. and proposed merger with Southern Bell Telephone Co.	Analysis of South Central Bell's restructuring and
12/91	91-410-EL-AIR	OH	Armco Steel Co., Air Products & Chemicals, Inc.	Cincinnati Gas & Electric Co.	Rate design, interruptible rates.

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Date	Case	Jurisdict.	Party	Utility	Subject
12/91	P-880286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power Co.	Evaluation of appropriate avoided capacity costs - QF projects.
1/92	C-913424	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Industrial interruptible rate.
6/92	92-02-19	CT	Connecticut Industrial Energy Consumers	Yankee Gas Co.	Rate design.
8/92	2437	NM	New Mexico Industrial Intervenors	Public Service Co. of New Mexico	Cost-of-service.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Cost-of-service, rate design, energy cost rate.
9/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
10/92	M-00920312 C-007	PA	The GPU Industrial Intervenors	Pennsylvania Electric Co.	Cost-of-service, rate design, energy cost rate, rate treatment.
12/92	U-17949	LA	Louisiana Public Service Commission Staff	South Central Bell Co.	Management audit.
12/92	R-00922378	PA	Armco Advanced Materials Co. The WPP Industrial Intervenors	West Penn Power Co.	Cost-of-service, rate design, energy cost rate, SO_2 allowance rate treatment.
1/93	8487	MD	The Maryland Industrial Group	Baltimore Gas & Electric Co.	Electric cost-of-service and rate design, gas rate design (flexible rates).
2/93	E002/GR-92-1185	MN	North Star Steel Co. Praxair, Inc.	Northern States Power Co.	Interruptible rates.
4/93	EC92 21000 ER92-806-000 (Rebuttal)	Federal Energy Regulatory Commission	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy agreement.	Merger of GSU into Entergy System; impact on system
7/93	93-0114-E-C	WV	Airco Gases	Monongahela Power Co.	Interruptible rates.

Expert Testimony Appearances
of
Stephen J. Baron
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Date	Case	Jurisdict.	Party	Utility	Subject
8/93	930759-EG	FL	Florida Industrial Power Users' Group	Generic - Electric Utilities	Cost recovery and allocation of DSM costs.
9/93	M-009 30406	PA	Lehigh Valley Power Committee	Pennsylvania Power & Light Co.	Ratemaking treatment of off-system sales revenues.
11/93	346	KY	Kentucky Industrial Utility Customers	Generic - Gas Utilities	Allocation of gas pipeline transition costs - FERC Order 636.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Nuclear plant prudence, forecasting, excess capacity.
4/94	E-015/ GR-94-001	MN	Large Power Intervenors	Minnesota Power Co.	Cost allocation, rate design, rate phase-in plan.
5/94	U-20178	LA	Louisiana Public Service Commission	Louisiana Power & Light Co.	Analysis of least cost integrated resource plan and demand-side management program.
7/94	R-00942986	PA	Armco, Inc.; West Penn Power Industrial Intervenors	West Penn Power Co.	Cost-of-service, allocation of rate increase, rate design, emission allowance sales, and operations and maintenance expense.
7/94	94-0035-E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co.	Cost-of-service, allocation of rate increase, and rate design.
8/94	EC94 13-000	Federal Energy Regulatory Commission	Louisiana Public Service Commission	Gulf States Utilities/Entergy	Analysis of extended reserve shutdown units and violation of system agreement by Entergy.
9/94	R-00943 081 R-00943 081C0001	PA	Lehigh Valley Power Committee	Pennsylvania Public Utility Commission	Analysis of interruptible rate terms and conditions, availability.
9/94	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Evaluation of appropriate avoided cost rate.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements.
10/94	5258-U	GA	Georgia Public Service Commission	Southern Bell Telephone & Telegraph Co.	Proposals to address competition in telecommunication markets.

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

Date	Case	Jurisdict.	Party	Utility	Subject
11/94	EC94-7-000 ER94-898-000	FERC	Louisiana Public Service Commission	El Paso Electric and Central and Southwest	Merger economics, transmission equalization hold harmless proposals.
2/95	941-430EG	CO	CF&I Steel, L.P.	Public Service Company of Colorado	Interruptible rates, cost-of-service.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Cost-of-service, allocation of rate increase, rate design, interruptible rates.
6/95	C-00913424 C-00946104	PA	Duquesne Interruptible Complainants	Duquesne Light Co.	Interruptible rates.
8/95	ER95-112 -000	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Open Access Transmission Tariffs - Wholesale.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Company	Nuclear decommissioning, revenue requirements, capital structure.
10/95	ER95-1042 -000	FERC	Louisiana Public Service Commission	System Energy Resources, Inc.	Nuclear decommissioning, revenue requirements.
10/95	U-21485	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Nuclear decommissioning and cost of debt capital, capital structure.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Retail competition issues.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Revenue requirement analysis.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Elec. Co., Potomac Elec. Power Co., Constellation Energy Co.	Ratemaking issues associated with a Merger.
8/96	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.

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

Date	Case	Jurisdict.	Party	Utility	Subject
2/97	R-973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Competitive restructuring policy issues, stranded cost, transition charges.
6/97	Civil Action No. 94-11474	US Bank-ruptcy Court Middle District of Louisiana	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Confirmation of reorganization plan; analysis of rate paths produced by competing plans.
6/97	R-973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Retail competition issues, rate unbundling, stranded cost analysis.
6/97	8738	MD	Maryland Industrial Group	Generic	Retail competition issues
7/97	R-973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big River Electric Corp.	Analysis of cost of service issues - Big Rivers Restructuring Plan
10/97	R-974008	PA	Metropolitan Edison Industrial Users	Metropolitan Edison Co.	Retail competition issues, rate unbundling, stranded cost analysis.
10/97	R-974009	PA	Pennsylvania Electric Industrial Customer	Pennsylvania Electric Co.	Retail competition issues, rate unbundling, stranded cost analysis.
11/97	U-22491	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Decommissioning, weather normalization, capital structure.
11/97	P-971265	PA	Philadelphia Area Industrial Energy Users Group	Enron Energy Services Power, Inc./ PECO Energy	Analysis of Retail Restructuring Proposal.
12/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Retail competition issues, rate unbundling, stranded cost analysis.
12/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Retail competition issues, rate unbundling, stranded cost analysis.
3/98 (Allocated Stranded Cost Issues)	U-22092	LA	Louisiana Public Service Commission	Gulf States Utilities Co.	Retail competition, stranded cost quantification.

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Date	Case	Jurisdict.	Party	Utility	Subject
3/98	U-22092		Louisiana Public Service Commission	Gulf States Utilities, Inc.	Stranded cost quantification, restructuring issues.
9/98	U-17735		Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Revenue requirements analysis, weather normalization.
12/98	8794	MD	Maryland Industrial Group and Millennium Inorganic Chemicals Inc.	Baltimore Gas and Electric Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
5/99 (Cross-Answering Testimony)	EC-98-40-000	FERC	Louisiana Public Service Commission	American Electric Power Co. & Central South West Corp.	Merger issues related to market power mitigation proposals.
5/99 (Response Testimony)	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Performance based regulation, settlement proposal issues, cross-subsidies between electric. gas services.
6/99	98-0452	WV	West Virginia Energy Users Group	Appalachian Power, Monongahela Power, & Potomac Edison Companies	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	99-03-35	CT	Connecticut Industrial \Energy Consumers	United Illuminating Company	Electric utility restructuring, stranded cost recovery, rate unbundling.
7/99	Adversary Proceeding No. 98-1065	U.S. Bankruptcy Court	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Motion to dissolve preliminary injunction.
7/99	99-03-06	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Electric utility restructuring, stranded cost recovery, rate unbundling.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, weather normalization, Entergy System Agreement.
12/99	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Ananlysi of Proposed Contract Rates, Market Rates.

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Date	Case	Jurisdict.	Party	Utility	Subject
03/00	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative, Inc.	Evaluation of Cooperative Power Contract Elections
03/00	99-1658-EL-ETP	OH	AK Steel Corporation	Cincinnati Gas & Electric Co.	Electric utility restructuring, stranded cost recovery, rate Unbundling.
08/00	98-0452 E-GI	WVA	West Virginia Energy Users Group	Appalachian Power Co. American Electric Co.	Electric utility restructuring rate unbundling.
08/00	00-1050 E-T 00-1051-E-T	WVA	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Electric utility restructuring rate unbundling.
10/00	SOAH 473-00-1020 PUC 2234	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU, Inc.	Electric utility restructuring rate unbundling.
12/00	U-24993	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning, revenue requirements.
12/00	EL00-66-000 & ER00-2854 EL95-33-002	LA	Louisiana Public Service Commission	Entergy Services Inc.	Inter-Company System Agreement: Modifications for retail competition, interruptible load.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Addressing Contested Issues	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Jurisdictional Business Separation - Texas Restructuring Plan
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Test year revenue forecast.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Nuclear decommissioning requirements transmission revenues.
11/01	U-25965	LA	Louisiana Public Service Commission	Generic .	Independent Transmission Company ("Transco"). RTO rate design.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design, resource planning and demand side management.

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Date	Case	Jurisdict.	Party	Utility	Subject
06/02	U-25965	LA	Louisiana Public Service Commission	Entergy Gulf States Entergy Louisiana	RTO Issues
07/02	U-21453	LA	Louisiana Public Service Commission	SWEPCO, AEP	Jurisdictional Business Sep. - Texas Restructuring Plan.
08/02	U-25888	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services Inc. and the Entergy Operating Companies	Modifications to the Inter-Company System Agreement, Production Cost Equalization.
11/02	02S-315EG	CO	CF&I Steel & Climax Molybdenum Co.	Public Service Co. of Colorado	Fuel Adjustment Clause
01/03	U-17735	LA	Louisiana Public Service Commission	Louisiana Coops	Contract Issues
02/03	02S-594E	CO	Cripple Creek and Victor Gold Mining Co.	Aquila, Inc.	Revenue requirements, purchased power.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Weather normalization, power purchase expenses, System Agreement expenses.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Tariff MSS-4.
11/03	ER03-583-000 ER03-583-001 ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001 ER03-682-002	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Market-Ing, L.P, and Entergy Power, Inc.	Evaluation of Wholesale Purchased Power Contracts.
12/03	U-27136	LA	Louisiana Public Service Commission	Entergy Louisiana, Inc.	Evaluation of Wholesale Purchased Power Contracts.
01/04	E-01345-03-0437	AZ	Kroger Company	Arizona Public Service Co.	Revenue allocation rate design.
02/04	00032071	PA	Duquesne Industrial Intervenors	Duquesne Light Company	Provider of last resort issues.

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Date	Case	Jurisdict.	Party	Utility	Subject
03/04	03A-436E	CO	CF&I Steel, LP and Climax Molybedenum	Public Service Company of Colorado	Purchased Power Adjustment Clause.
04/04	2003-00433 2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service Rate Design
0-6/04	03S-539E	CO	Cripple Creek, Victor Gold Mining Co., Goodrich Corp., Holcim (U.S.,), Inc., and The Trane Co.	Aquila, Inc.	Cost of Service, Rate Design Interruptible Rates
06/04	R-00049255	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
10/04	04S-164E	CO	CF&I Steel Company, Climax Mines	Public Service Company of Colorado	Cost of service, rate design, Interruptible Rates.
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
07/05	U-28155	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc. Entergy Gulf States, Inc.	Independent Coordinator of Transmission – Cost/Benefit
09/05	Case Nos. 05-0402-E-CN 05-0750-E-PC	WVA	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Environmental cost recovery, Securitization, Financing Order
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses. Congestion Cost Recovery Mechanism
03/06	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Transmission Prudence Investigation
06/06	R-00061346 C0001-0005	PA	Duquesne Industrial Intervenors & IECPA	Duquesne Light Co.	Cost of Service, Rate Design, Transmission Service Charge, Tariff Issues
06/06	R-00061366 R-00061367 P-00062213		Met-Ed Industrial Energy Users Group and Penelec Industrial Customer	Metropolitan Edison Co. Pennsylvania Electric Co.	Generation Rate Cap, Transmission Service Charge, Cost of Service, Rate Design, Tariff Issues

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Date	Case	Jurisdict.	Party	Utility	Subject
	P-00062214		Alliance		
07/06	U-22092 Sub-J	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Separation of EGSI into Texas and Louisiana Companies.
07/06	Case No. 2006-00130 Case No. 2006-00129	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Louisville Gas & Electric Co.	Environmental cost recovery.
08/06	Case No. PUE-2006-00065	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Incr, Off-System Sales margin rate treatment
09/06	E-01345A-05-0816	AZ	Kroger Company	Arizona Public Service Co.	Revenue alllocation, cost of service, rate design.
11/06	Doc. No. 97-01-15RE02	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power United Illuminating	Rate unbundling issues.
01/07	Case No. 06-0960-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Implementation of FERC Decision Jurisdictional & Rate Class Allocation
05/07	Case No. 07-63-EL-UNC	OH	Ohio Energy Group	Ohio Power, Columbus Southern Power	Environmental Surcharge Rate Design
05/07	R-00049255 Remand	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues and transmission service charge.
06/07	R-00072155	PA	PP&L Industrial Customer Alliance PPLICA	PPL Electric Utilities Corp.	Cost of service, rate design, tariff issues.
07/07	Doc. No. 07F-037E	CO	Gateway Canyons LLC	Grand Valley Power Coop.	Distribution Line Cost Allocation
09/07	Doc. No. 05-UR-103	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
11/07	ER07-682-000	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Proposed modifications to System Agreement Schedule MSS-3. Cost functionalization issues.
1/08	Doc. No. 20000-277-ER-07	WY	Cimarex Energy Company	Rocky Mountain Power (PacifiCorp)	Vintage Pricing, Marginal Cost Pricing Projected Test Year
1/08	Case No. 07-551	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Class Cost of Service, Rate Restructuring, Apportionment of Revenue Increase to

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Date	Case	Jurisdict.	Party	Utility	Subject
2/08	ER07-956	FERC	Louisiana Public Service Commission Staff	Entergy Services, Inc. and the Entergy Operating Companies	Rate Schedules Entergy's Compliance Filing System Agreement Bandwidth Calculations.
2/08	Doc No. P-00072342	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Default Service Plan issues.
3/08	Doc No. E-01933A-05-0650	AZ	Kroger Company	Tucson Electric Power Co.	Cost of Service, Rate Design
05/08	08-0278 E-GI	WV	West Virginia Energy Users Group	Appalachian Power Co. American Electric Power Co.	Expanded Net Energy Cost "ENEC" Analysis.
6/08	Case No. 08-124-EL-ATA	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Recovery of Deferred Fuel Cost
7/08	Docket No. 07-035-93	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Rate Design
08/08	Doc. No. 6680-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Doc. No. 6690-UR-119	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
09/08	Case No. 08-936-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Competitive Solicitation
09/08	Case No. 08-935-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan
09/08	Case No. 08-917-EL-SSO 08-918-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Provider of Last Resort Rate Plan
10/08	2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
11/08	08-1511 E-GI	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/08	M-2008-2036188, M-2008-2036197	PA	Met-Ed Industrial Energy Users Group and Penelec Industrial Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Transmission Service Charge
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.

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Date	Case	Jurisdict.	Party	Utility	Subject
01/09	E-01345A-08-0172	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
02/09	2008-00409	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design
5/09	PUE-2009-00018	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Transmission Cost Recovery Rider
5/09	09-0177-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost "ENEC" Analysis
6/09	PUE-2009-00016	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider
6/09	PUE-2009-00038	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider
7/09	080677-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
8/09	U-20925 (RRF 2004)	LA	Louisiana Public Service Commission Staff	Entergy Louisiana LLC	Interruptible Rate Refund Settlement
9/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Energy Cost Rate issues
9/09	Doc. No. 05-UR-104	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
9/09	Doc. No. 6680-UR-117	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Co.	Cost of Service, rate design, tariff Issues, Interruptible rates.
10/09	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Cost of Service, Allocation of Rev Increase
10/09	09AL-299E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Cost of Service, Rate Design
11/09	PUE-2009-00019	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Cost of Service, Rate Design
11/09	09-1485 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
12/09	Case No. 09-906-EL-SSO	OH	Ohio Energy Group	Ohio Edison, Toledo Edison Cleveland Electric Illuminating	Provider of Last Resort Rate Plan

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Date	Case	Jurisdict.	Party	Utility	Subject
12/09	ER09-1224	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Entergy's Compliance Filing System Agreement Bandwidth Calculations.
12/09	Case No. PUE-2009-00030	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Allocation of Rev Increase, Rate Design
2/10	Docket No. 09-035-23	UT	Kroger Company	Rocky Mountain Power Co.	Rate Design
3/10	Case No. 09-1352-E-42T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Retail Cost of Service Revenue apportionment
3/10	E015/ GR-09-1151	MN	Large Power Intervenors	Minnesota Power Co.	Cost of Service, rate design
4/10	EL09-61	FERC	Louisiana Public Service Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement Issues Related to off-system sales
4/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Cost of service, rate design, transmission expenses.
4/10	2009-00548 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. Kentucky Utilities Co.	Cost of Service, Rate Design
7/10	R-2010-2161575	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Company	Cost of Service, Rate Design
09/10	2010-00167	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Cost of Service, Rate Design
09/10	10M-245E	CO	CF&I Steel Company Climax Molybdenum	Public Service Company of Colorado	Economic Impact of Clean Air Act
11/10	10-0699-E-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Cost of Service, Rate Design, Transmission Rider
11/10	Doc. No. 4220-UR-116	WI	Wisconsin Industrial Energy Group, Inc.	Northern States Power Co. Wisconsin	Cost of Service, rate design
12/10	10A-554EG	CO	CF&I Steel Company Climax Molybdenum	Public Service Company	Demand Side Management Issues
12/10	10-2586-EL-SSO	OH	Ohio Energy Group	Duke Energy Ohio	Provider of Last Resort Rate Plan Electric Security Plan
3/11	20000-384-ER-10	WY	Wyoming Industrial Energy Consumers	Rocky Mountain Power Wyoming	Electric Cost of Service, Revenue Apportionment, Rate Design

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Date	Case	Jurisdict.	Party	Utility	Subject
5/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Cost of Service, Rate Design
6/11	Docket No. 10-035-124	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
6/11	PUE-2011 -00045	VA	VA Committee For Fair Utility Rates	Dominion Virginia Power Company	Fuel Cost Recovery Rider
07/11	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Entergy System Agreement - Successor Agreement, Revisions, RTO Day 2 Market Issues
07/11	Case Nos. 11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Electric Security Rate Plan, Provider of Last Resort Issues
08/11	PUE-2011-00034	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Co.	Cost Allocation, Rate Recovery of RPS Costs
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co. Kentucky Utilities Company	Environmental Cost Recovery
09/11	Case Nos. 11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	Ohio Power Company Columbus Southern Power Co.	Electric Security Rate Plan, Stipulation Support Testimony
10/11	11-0452 E-P-T	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Energy Efficiency/Demand Reduction Cost Recovery
11/11	11-1274 E-P	WV	West Virginia Energy Users Group	Mon Power Co. Potomac Edison Co.	Expanded Net Energy Cost "ENEC" Analysis.
11/11	E-01345A-11-0224	AZ	Kroger Company	Arizona Public Service Co.	Decoupling
12/11	E-01345A-11-0224	AZ	Kroger Company	Arizona Public Service Co.	Cost of Service, Rate Design
3/12	Case No. 2011-00401	KY	Kentucky Industrial Utility Consumers	Kentucky Power Company	Environmental Cost Recovery
4/12	2011-00036 Rehearing Case	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Cost of Service, Rate Design
5/12	2011-346 2011-348	OH	Ohio Energy Group	Ohio Power Company	Electric Security Rate Plan Interruptible Rate Issues
6/12	PUE-2012 -00051	VA	Old Dominion Committee For Fair Utility Rates	Appalachian Power Company	Fuel Cost Recovery Rider

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Date	Case	Jurisdict.	Party	Utility	Subject
6/12	12-00012 12-00026	TN	Eastman Chemical Co. Air Products and Chemicals, Inc.	Kingsport Power Company	Demand Response Programs
6/12	Docket No. 11-035-200	UT	Kroger Company	Rocky Mountain Power Co.	Class Cost of Service
6/12	12-0275- E-GI-EE	WV	West Virginia Energy Users Group	Appalachian Power Company	Energy Efficiency Rider
6/12	12-0399- E-P	WV	West Virginia Energy Users Group	Appalachian Power Company	Expanded Net Energy Cost ("ENEC")
7/12	120015-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Company	Retail cost of service, rate design
7/12	2011-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Environmental Cost Recovery
8/12	Case No. 2012-00226	KY	Kentucky Industrial Utility Consumers	Kentucky Power Company	Real Time Pricing Tariff
9/12	ER12-1384	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement, Cancelled Plant Cost Treatment

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBIT__(SJB-2)

OF

STEPHEN J. BARON

Louisville Gas and Electric Company

Summary of KIUC Corrected Rates of Return by Class

	Revenue	Operating Expenses	Operating Margin	Rate Base	ROR
Residential Rate RS	$ 392,596,290	$ 359,791,950	$ 32,804,340	$ 919,864,921	3.57%
General Service Rate GS	143,422,627	118,074,305	25,348,323	246,026,165	10.30%
Power Service Primary Rate PS	18,472,104	15,344,266	3,127,837	25,254,598	12.39%
Power Service Secondary Rate PS	191,420,558	160,648,084	30,772,474	291,144,488	10.57%
TOD Primary Lines	124,878,894	113,965,156	10,913,738	196,251,936	5.56%
TOD Secondary	44,367,567	39,198,666	5,168,901	72,346,855	7.14%
Retail Transmission Servive Rate RTS	32,446,128	29,691,491	2,754,637	51,301,441	5.37%
Fort Knox	13,470,460	13,317,963	152,497	27,402,588	0.56%
Louisville Water Company	3,454,437	3,379,991	74,446	6,115,480	1.22%
Lighting	18,737,180	13,606,737	5,130,443	58,735,284	8.73%
	983,266,246	867,018,609	116,247,636	1,894,443,755	6.14%

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBIT__(SJB-3)

OF

STEPHEN J. BARON

Kentucky Utilities Company

Summary of KIUC Corrected Rates of Return by Class

	Revenue	Operating Expenses	Operating Margin	Rate Base	ROR
Residential Rate RS	$ 474,276,698	$ 417,647,405	$ 56,629,293	$ 1,467,180,844	3.86%
General Service Secondary Rate GS	176,797,886	140,871,857	35,926,029	417,396,792	8.61%
All Electric Schools Rate AES	11,248,657	9,466,760	1,781,897	24,995,043	7.13%
Power Service Secondary Rate PS	220,794,076	175,314,528	45,479,547	437,880,060	10.39%
Power Service Primary Rate PS	46,616,010	38,403,965	8,212,045	97,416,904	8.43%
Time of Day Secondary Rate TODS	28,338,680	24,513,531	3,825,149	67,119,437	5.70%
Time of Day Primary Rate TODP	207,598,636	180,281,500	27,317,136	472,205,604	5.79%
Retail Transmission Service Rate RTS	84,511,391	73,651,016	10,860,375	183,744,054	5.91%
Fluctuating Load Service Rate FLS	14,193,700	11,348,812	2,844,888	54,328,626	5.24%
Lighting	23,320,802	17,004,670	6,316,131	88,577,907	7.13%
	1,287,696,536	1,088,504,045	199,192,491	3,310,845,270	6.02%

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY FOR AN ADJUSTMENT	)	CASE NO.
OF ITS ELECTRIC AND GAS BASE RATES	)	2012-00222
AND		
APPLICATION OF KENTUCKY UTILITIES	)	
COMPANY FOR AN ADJUSTMENT	)	CASE NO.
OF BASE RATES	)	2012-00221

EXHIBIT__(SJB-4)

OF

STEPHEN J. BARON

Kentucky Utilities Company

Summary of Adjusted Rates of Return by Class

KIUC "PJM 5 CP" - 5 Highest Peaks Production and Transmission Allocation

	Revenue	Operating Expenses	Operating Margin	Rate Base	ROR
Residential Rate RS	$ 474,243,523	$ 417,058,453	$ 57,185,070	$ 1,461,786,880	3.91%
General Service Secondary Rate GS	176,858,308	141,466,162	35,392,145	427,220,880	8.28%
All Electric Schools Rate AES	11,228,355	9,254,402	1,973,953	21,694,093	9.10%
Power Service Secondary Rate PS	220,959,675	177,145,353	43,814,322	464,805,195	9.43%
Power Service Primary Rate PS	46,662,464	38,902,929	7,759,535	104,969,942	7.39%
Time of Day Secondary Rate TODS	28,347,911	24,626,737	3,721,174	68,620,309	5.42%
Time of Day Primary Rate TODP	207,631,601	180,740,055	26,891,546	477,565,442	5.63%
Retail Transmission Service Rate RTS	84,451,364	73,050,689	11,400,675	173,984,122	6.55%
Fluctuating Load Service Rate FLS	14,028,361	9,616,467	4,411,893	27,445,754	16.07%
Lighting	23,284,974	16,642,798	6,642,176	82,752,653	8.03%
	1,287,696,536	1,088,504,045	199,192,491	3,310,845,270	6.02%

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBIT__(SJB-5)

OF

STEPHEN J. BARON

Kentucky Utilities Company

Summary of Adjusted Rates of Return by Class
KIUC 12 CP Production and Transmission Allocation

	Revenue	Operating Expenses	Operating Margin	Rate Base	ROR
Residential Rate RS	$ 474,719,991	$ 422,107,684	$ 52,612,308	$ 1,539,256,679	3.42%
General Service Secondary Rate GS	176,659,917	139,363,770	37,296,146	394,964,107	9.44%
All Electric Schools Rate AES	11,288,053	9,887,039	1,401,014	31,400,581	4.46%
Power Service Secondary Rate PS	220,664,614	174,018,534	46,646,080	416,830,750	11.19%
Power Service Primary Rate PS	46,594,572	38,183,460	8,411,112	93,931,208	8.95%
Time of Day Secondary Rate TODS	28,303,558	24,156,724	4,146,834	61,408,955	6.75%
Time of Day Primary Rate TODP	207,522,211	179,580,822	27,941,389	459,779,460	6.08%
Retail Transmission Service Rate RTS	84,443,639	72,968,828	11,474,812	172,728,130	6.64%
Fluctuating Load Service Rate FLS	14,191,167	11,341,757	2,849,410	53,916,685	5.28%
Lighting	23,308,813	16,895,427	6,413,386	86,628,715	7.40%
	1,287,696,536	1,088,504,045	199,192,491	3,310,845,270	6.02%

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBIT__(SJB-6)

OF

STEPHEN J. BARON

Louisville Gas and Electric Company

Summary of Adjusted Rates of Return by Class

KIUC "PJM 5 CP" - 5 Highest Peaks Production and Transmission Allocation

	Revenue	Operating Expenses	Operating Margin	Rate Base	ROR	Increase to Equal ROR	Increase to Req. ROR
Residential Rate RS	$ 393,726,342	$ 367,971,641	$ 25,754,701	$ 985,203,319	2.61%	55,402,059	87,681,041
General Service Rate GS	143,402,425	117,921,523	25,480,903	244,858,107	10.41%	(16,693,892)	(8,671,416)
Power Service Primary Rate PS	18,426,637	15,015,435	3,411,202	22,625,765	15.08%	(3,229,677)	(2,488,372)
Power Service Secondary Rate PS	191,197,855	159,037,219	32,160,636	278,267,996	11.56%	(24,085,605)	(14,968,494)
TOD Primary Lines	124,485,979	111,126,403	13,359,577	173,534,020	7.70%	(4,328,594)	1,357,036
TOD Secondary	44,210,321	38,060,543	6,149,778	63,255,043	9.72%	(3,621,590)	(1,549,115)
Retail Transmission Servive Rate RTS	32,222,575	28,071,545	4,151,030	38,375,829	10.82%	(2,867,830)	(1,610,493)
Fort Knox	13,491,205	13,468,534	22,671	28,602,054	0.08%	2,766,004	3,703,115
Louisville Water Company	3,438,600	3,265,431	173,170	5,199,816	3.33%	232,951	403,317
Lighting	18,664,306	13,080,336	5,583,970	54,521,806	10.24%	(3,573,827)	(1,787,486)
	983,266,246	867,018,609	116,247,636	1,894,443,755	6.14%	(0)	62,069,132

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS AND	**)**	
ELECTRIC COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF ITS ELECTRIC AND GAS BASE RATES	**)**	**2012-00222**
AND		
APPLICATION OF KENTUCKY UTILITIES	**)**	
COMPANY FOR AN ADJUSTMENT	**)**	**CASE NO.**
OF BASE RATES	**)**	**2012-00221**

EXHIBIT__(SJB-7)

OF

STEPHEN J. BARON

Louisville Gas and Electric Company

Summary of Adjusted Rates of Return by Class
KIUC 12 CP Production and Transmission Allocation

	Revenue	Operating Expenses	Operating Margin	Rate Base	ROR	Increase to Equal ROR	Increase to Req. ROR
Residential Rate RS	$ 393,427,641	$ 365,804,082	$ 27,623,558	$ 967,932,730	2.85%	50,726,184	82,439,315
General Service Rate GS	143,384,029	117,788,030	25,595,999	243,794,469	10.50%	(16,981,864)	(8,994,236)
Power Service Primary Rate PS	18,434,571	15,073,008	3,361,563	23,084,491	14.56%	(3,105,481)	(2,349,145)
Power Service Secondary Rate PS	191,198,570	159,042,409	32,156,161	278,309,349	11.55%	(24,074,409)	(14,955,943)
TOD Primary Lines	124,642,294	112,260,716	12,381,578	182,571,957	6.78%	(1,881,644)	4,100,103
TOD Secondary	44,254,329	38,379,888	5,874,441	65,799,503	8.93%	(2,932,697)	(776,857)
Retail Transmission Servive Rate RTS	32,315,694	28,747,271	3,568,423	43,759,854	8.15%	(1,410,148)	23,590
Fort Knox	13,448,146	13,156,069	292,077	26,112,408	1.12%	2,091,952	2,947,493
Louisville Water Company	3,446,736	3,324,464	122,272	5,670,177	2.16%	360,298	546,074
Lighting	18,714,238	13,442,673	5,271,565	57,408,817	9.18%	(2,792,191)	(911,261)
	983,266,246	867,018,609	116,247,636	1,894,443,755	6.14%	0	62,069,132