

**Proposal to Perform
An Independent Audit Of The
Purchase Gas Adjustment Filings
Of Entergy Louisiana LLC**

Response to RFP 18-09, Docket No. X-34852

July 11, 2018



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

July 11, 2018

Kim Trosclair
Louisiana Public Service Commission Office of the General Counsel
602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154 Phone: (225) 342-4999

Dear Kim:

Vantage Energy Consulting LLC, (Vantage) is pleased to respond to your request for an independent Audit of Purchase Gas Adjustment Filings of Entergy Louisiana LLC (Entergy) for the period of January 2015 through December 2017. This is a complex assignment requiring expertise in a number of areas. Vantage, because of our size and breadth of experience, is capable addressing all areas with our internal consultants. Vantage has extensive experience in audits of this type. This proposal will demonstrate those skills and provide a work plan for all aspects of the project and a budget that is based on the efficiency our experience permits

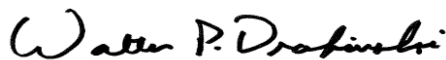
In preparing our Proposal, we wish to emphasize our willingness to work with The Louisiana PSC and the Staff to reach the required results in an efficient, cost effective and non-intrusive manner. Our firm is staffed by professional consultants who have conducted similar assignments with great success. Our contact information is:

Vantage Energy Consulting LLC
20844 4th Ave. West.
Cudjoe Key, FL 33042
Tel.: 305-744-3440; Fax: 305-744-3450; Cell: 305-394-0784
E-mail: wdrabinski@vantageenergyconsulting.com
Web Site: www.vantageenergyconsulting.com

All the information in this proposal is accurate. Further, Vantage is committed and able to perform all the work contained in the proposal. Vantage is in compliance with all RFP requirements, and the proposal is valid for 90 days from July 11, 2018.

Please note, Vantage is self-certified by the Federal Government as a Woman Owned Small Business (WOSB) and certified by the State of Florida as a Woman Business Enterprise (WBE).

Sincerely,



Walter P. Drabinski,
President and Primary Contact



Jean A. Gormley, CEO



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

Table of Contents

I. Proposal Summary1
 A. Vantage Introduction.....1
 B. Project Organization and Staffing2
 C. Project Audit, Regulatory and Data Requirements4
 D. Firm Description4
 E. Related Experience5

II. Work Plan, Schedule and Controls8
 A. Preliminary Work Plan8
 B. Project Schedule.....10
 C. Project Management Techniques11

III. Firm Experience and References.....16
 A. Vantage Description and Background16
 B. Recent References17

IV. Budget.....19
 A. Hours, Fees And Expenses19
 B. Invoicing.....19
 C. Insurance Coverage19

V. Resumes20
 Resume of Mr. Walter P. Drabinski.....22
 Resume of Dr. Howard J. Axelrod35
 Resume of Mr. Michael C. Boismenu PE.....44
 Resume of Mr. James Habberfield47
 Resume of Mr. Chuck Buechel50
 Resume of Ms Ann Diggs, CPA.....57
 Resume of Ms. Marie H. Davidson, CPA.....62



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

I. PROPOSAL SUMMARY

A. VANTAGE INTRODUCTION

Vantage Energy Consulting LLC., (Vantage) is pleased to respond to the Request for Proposal by the Louisiana PSC for an independent Audit of Purchase Gas Adjustment Filings for Entergy Louisiana LLC (Entergy) for the period of January 2015 through December 2017. This proposal will show Vantage's understanding of the project, the work required, our methodology, the experience and qualifications of our team, a breakdown of costs and timing, and details of the final report.

Vantage shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by the auditor may be examined by any participant to this proceeding.

Vantage has served utilities, regulatory agencies and other energy-related organizations for over twenty-five years. In preparing this proposal, we will attempt to be complete and well organized in order that the Staff can readily understand our approach, related experience, and most importantly, the qualifications of our proposed project team.

The focus of Vantage has been the utility industry including companies and regulators. Vantage has performed over one hundred and fifty separate assignments. A summary of the number of different assignments performed by key Vantage consultants is included in the list below.

- 29 comprehensive and focused management audits;
- 12 attestation reviews of utility program expenditures;
- 8 prudence reviews of large capital projects;
- 27 affiliate audits;
- 29 electric and fuel audits;
- 9 environmental compliance plans;
- monitored POLR auctions 32 times;
- testified before regulatory bodies approximately 150 times; and
- provided direct consulting advice to approximately 35 utilities or large utility related companies.

In addition, our consultants have additional experience with purchase gas audits, as shown in their resumes.



B. PROJECT ORGANIZATION AND STAFFING

The selection of a team that has the breadth of experience on the topics involved as well as experience as a cohesive unit is key to projects of this complexity. We have proposed a team of experienced consultants who will work under the direction of Walt Drabinski

In presenting our proposal, we first introduce our team’s relevant experience on this project. This is important, because all of our consultants have a long history of working together. We do this because, it is ultimately the team and experience it has that helps predict a successful engagement. In presenting our team, we provide a matrix that indicates the specific areas of expertise each consultant has when matrixed to the project scope.

Our broad level of experience demonstrates the fair and balanced approach we have delivered in regulatory matters. We can bring to projects individuals with extensive experience as regulators; individuals with extensive experience as utility managers; and individuals with extensive experience in the restructuring of electric markets. Equally important, we bring a strong team approach in which we work closely with regulatory staff personnel. We stress team communication, no surprises and a healthy respect for the opinions of all parties. The table below introduces our team. Detailed resumes are provided in Chapter VI of this proposal.

Consultant Name	Project Role
Walter P. Drabinski, BSEE, MBA	<u>Project Director</u> – Ten years with a utility, 30 years as a management consultant in the utility industry, and experience on over 100 utility related assignments. Walt will have overall responsibility for this assignment, will attend most meetings and will be the official representative of Vantage. Walt utilizes his BS in Electrical Engineering and his MBA in Finance and Management from the Wharton School on management audits, financial, fuel, affiliate, M&A support, prudence reviews, and regulatory strategy assignment.
Howard Axelrod, BSEE, MSEE, PhD	<u>Senior Economist/Engineer</u> – Over 35 years of experience as an engineer, employee of NYDPS, and management consultant. During the last decade, Dr. Axelrod has lead in the development of risk management best practices as they relate to energy portfolio management, counterparty credit risk and long-term purchase power (PPA) agreement review. He supported the development and implementation



	<p>comprehensive Enterprise Risk Management (ERM) programs at the NYISO, NYPA, Southern Company and the Massachusetts Municipal Wholesale Electric Company, where he also serves as the Chief Risk Officer. He has also performed numerous energy risk management best practice reviews.</p>
<p>Ann Diggs, CPA</p>	<p>Senior Accountant - Twenty years of progressive utility regulatory experience, including nine years as a Staff member of the Kansas Corporation Commission and 11 years as a regulatory utility consultant. Ms. Diggs' regulatory experience has included the review and supervision of all aspects of revenue requirement, including Income Statement, FAC and PGA, Rate Base, and Capital Structure. She has presented written and oral expert witness testimony in areas including the following:</p> <ul style="list-style-type: none"> • Cost of service • Acquisition premium recovery • Allocation of jurisdictional overhead construction costs • Affiliate transactions • Fuel cost repricing • Corporate cost allocation studies • Merger savings analysis
<p>Marie Davidson, CPA, MBA</p>	<p>Senior Accountant - Accounting and management consulting experience with two major firms and fifteen years with Vantage on numerous projects. Extensive experience in the electric and gas utility industries. Her consulting experience includes the areas of accounting, cost of service, FAC and PGA, allocation methods, project cost management, and holding company affiliated transactions.</p> <p>She was a member of the Ernst & Young Utilities Consulting practice from 1988 to April 1995, where she provided expertise in the areas of utility accounting, ratemaking, financial planning, and operational analysis. Prior to that period, Ms. Davidson was a senior accountant with Arthur Andersen & Co. where she planned and supervised financial audit engagements for</p>



	retail, manufacturing, and government contracting concerns.
Jean Gormley, BS, MS	Project Administrator - Ms. Gormley is the Vantage COO and has responsibility for all corporate and project administration. On this assignment she will perform the role of analyst and project administrator.

C. PROJECT AUDIT, REGULATORY AND DATA REQUIREMENTS

Vantage utilizes the Government Auditing Standards, prepared by the GAO and last revised in December 2011. This document, often referred to as the Yellow Book, provides guidelines for Financial, Attestation and Performance Audits. Our consultants will also adhere to Generally Accepted Accounting Principles (GAAP) and Federal Energy Regulatory Commission (FERC) Uniform System of Accounts.

D. FIRM DESCRIPTION

This section describes Vantage Energy Consulting, LLC, the firm, project organization, and the experience and qualifications of the team proposed to assist the Public Utilities Commission of Ohio on this assignment.

Vantage is a Florida State Certified Woman Business Enterprise (WBE), and is self-certified with the Federal Government as a Woman Owned Small Business (WOSB).

VANTAGE ENERGY CONSULTING, LLC (VANTAGE)

20844 4th Ave., West.
 Cudjoe Key, FL 33042
 Tel. (305) 744-3440/Fax (305) 744-3450
 Web Site: www.vantageenergyconsulting.com
 Email: wdrabinski@vantageenergyconsulting.com
 Federal Tax ID #: 27-2585037

Vantage is a management consulting firm headquartered in Cudjoe Key, Florida with consultant offices located in Fort Thomas, KY, Ennis, MT, Dunkirk, NY and Atlanta, GA. Vantage consultants possess a broad background in all business aspects of electric, gas, and water utilities, but retain particular expertise in utility operating functions.

The Vantage team consists of highly experienced, trained consultants, covering virtually all functional work areas within a utility company. Vantage is staffed by a total of 12 full-time and contract consultants and administrative staff. These consultants have a diverse set of



backgrounds, including engineering, accounting, economics, finance, chemistry, and psychology.

Vantage provides a broad range of consulting services to investor-owned utilities, independent power producers, regulatory agencies, state planning and environmental agencies, and law firms.

E. RELATED EXPERIENCE

Over the years, government agencies have turned to Vantage when they needed the best firm for critical projects such as this. The information below demonstrates our expertise, our experience on high profile projects, and our experience working with the PUCO.

SIMILAR REVIEWS

- **Southern California Edison's Reliability Investment Incentive Mechanism (RIIM) Program - Prudence Review** - This assignment was very similar to the one here. Vantage reviewed almost \$2 billion in expenditures dedicated to reliability and increases in utility maintenance staffing. This was a unique project because it approached reliability from an investment standpoint rather than performance measures only. Activities included in the audit consisted of reviews of capital projects for T&D, determination of projects that were reliability related, a review of SAIDI and SAIFI statistics and impacts due to improvement program and assessment of agreed to staffing requirements. Further, Vantage was selected as an Independent Monitor and our analysis determined whether the project complied with regulatory orders and statewide standards.
- **Kansas City Power & Light Iatan 1&2 - Prudence Review** - At the request of the Kansas Corporation Commission (KCC) Staff, Vantage acted as an Independent Monitor of the \$500 million installation of an Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Our team reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.
- **Kentucky Environmental Cost Recovery Hearings** - Vantage has provided a broad range of audit and regulatory support related to electric utility generating resource Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. Vantage reviewed testimony and assisted in rate cases related Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. On this assignment, Vantage consultants acted as an extension of staff in four separate cases. The



ECR permits recovery of environmental costs through a separate surcharge after a formal proceeding. Vantage reviewed applications, submitted and reviewed interrogatories, prepared summaries for and briefed the Commissioners and Staff, assisted in hearings and helped draft the final orders. In total almost \$5 billion in ECR projects were awarded.

Upon completion of the proceedings, Vantage was retained as an Independent Monitor for five years to monitor construction and cost expenditures at all Kentucky Utilities and Louisville Gas & Electric Projects.

- **Westar/KCP&L Merger - System Analysis and Expert Witness** - Vantage performed an assessment of the Westar and KCP&L generation plans, system reliability, customer service and merger savings related to the proposed merger of Westar and KCP&L. Walt Drabinski testified in February 2017 on the above topics. The KCC has continued to utilize Vantage as a monitor of progress on reliability implementation.
- **Managed EFC management performance audits** of the following Ohio Utilities:
 - Dayton Power & Light
 - Monongahela Power Company
 - West Ohio Gas Company
 - Cleveland Electric Illuminating Company
 - Toledo Edison Company
 - Ohio Power Company
 - Columbus Southern Company
- **Managed GRC management performance audits** of the following Ohio Utilities:
 - National Gas and Oil Company of Ohio - Lead Consultant on audit of fuel procurement practices for the PUCO
 - West Ohio Gas Company - Project Director on audit of gas procurement activities and integrated resource planning (IRP).
- **California ISO Issues during energy crisis** - The Federal Energy Regulatory Commission (FERC) retained Vantage to monitor activities and to perform a critical audit of the ISO during the darkest days of the California energy crisis. In fact, Vantage was on site when Enron went bankrupt. At the conclusion of the audit, Walter Drabinski testified before the US House of Representatives, Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs.
- **Public Service Electric & Gas Company** - Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of statewide restructuring.



- **Duke- North Carolina – Audit of affiliate controls and merger conditions after merger with Progress Energy** - The merger between Duke and Progress Energy was one of the largest utility mergers ever in the US. Vantage was selected to audit the fifty-plus merger conditions required, as well as the transition to a new regulatory and affiliate control system.
- **Duke Energy Indiana Affiliate Compliance Audit** - Vantage conducted this affiliate compliance audit of the Indiana subsidiary.
- **Duke Energy Kentucky Affiliate Compliance Audit** - Vantage conducted this affiliate compliance audit.
- **Duke Energy Ohio Affiliate Compliance Audit** - Vantage conducted this affiliate compliance audit.
- **Pacific Gas & Electric Co. Affiliate Compliance Audit** - Performed a series of five comprehensive, annual reviews of affiliate compliance and implementation of affiliate rules for 2001-2005 audit periods in accordance with California Public Utilities Commission (CPUC) requirements. Each review resulted in a final report that was presented to management for action and the CPUC for review. Copies are posted on the Vantage web site.
- **Public Service Enterprise Group and Public Service Electric & Gas Company Affiliate Compliance Audit** - Performed a comprehensive review of affiliate compliance plans as implemented in 2000 in accordance with deregulation requirements in New Jersey on behalf of the New Jersey Board of Public Utilities.
- **Con Edison and LIPA Audits of Emergency and Storm Response** - The New York Department of Public Service called upon Vantage to address these two critical, high profile projects. Major changes in management, capital budgeting and oversight were implemented as a result of the audit.
- **Virgin Islands Water & Power Authority management audit** - With the Company on the verge of financial collapse, the Board of Directors and Public Service Commission selected Vantage to assess the company's operations and propose long term solutions. The result was a replacement of senior management; a decision by the Board, PSC and Government to completely replace the generating fleet; downsize the staff by a significant amount; and to change a number of key regulatory policies.



II. WORK PLAN, SCHEDULE AND CONTROLS

A. PRELIMINARY WORK PLAN

In developing a logical set of work steps which permit a buildup of activities, assignment of personnel and development of budgets, we have identified a list of work steps that align directly with the RFP. Our audit will include analysis, interpretation, and development of specific, well supported and quantified recommendations.

Vantage's overall objective on this assignment will be to assist the Commission's Legal, Audit and Utilities Divisions in analyzing fuel purchases and usage by CenterPoint Energy Arkla from January 2015 through December 2017. Our goal will be that after completion of the Commission's review, the Staffs audit report, which will encompass our report, will be filed in the record of this proceeding. Once filed, a notice will be published in the Commission's Official Bulletin for intervention and comment. The scope of the work shall continue through the conclusion of the docket through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation. We understand that that the assignment could last 12-18 months.

Work Steps

Please note, the work steps below are preliminary and will be modified as necessary once we meet with the Staff.

Our overall scope will include:

- A review PGA filings for the January 2014 - December 2017 period. This will include a review and analysis of the utility's monthly comprehensive purchase gas adjustment schedules filed with the Louisiana Public Service Commission;
- Develop draft data requests for the Staff to submit;
- Review responses, including accompanying work papers and the company's financial data;
- Vantage will review historical data involving prior audits;
- Vantage will participate in formal status conferences, pre-trial conferences, depositions, and hearings;
- Vantage will prepare for filing audit memoranda and/or pre-filed testimony in support of Staffs ultimate recommendations, together with exhibits supporting the memoranda and/or pre-filed testimony; and assist in the drafting of applicable motions, exceptions, briefing sheets and orders of the Commission;
- Vantage will participate in informal conference calls, meetings and conferences with the Commission and its staff as well as attending any Business and Executive Sessions that the Staff deems necessary;
- Our report will, if necessary, provide the development and improvement of



- internal staff procedures to effectively monitor and evaluate a utility's performance in areas impacting the gas costs which are reflected in the utility's monthly purchase gas adjustment filings with the Commission;
- Vantage, utilizing our extensive utility industry expertise, will review utility price risk management guidelines pertaining to purchased gas (including policies regarding physical hedging, fixed price transactions, index transactions, fixed for floating price swaps, options to purchase, and other arrangements to determine their propriety and will make recommendations of modifications if appropriate;
 - We will compare projected and actual costs in the monthly PGA filing for the audit period to verify they are consistent;
 - Review any rate stabilization programs for compliance;
 - Compare filed gas prices to the market for audit period, with particular attention paid to any spikes;
 - Review on-system lost and unaccounted-for gas and determine if level is consistent over time and reasonable for the industry;
 - Review any Asset Management Agreements for impact on rates;
 - Compare rates for the audit period by benchmarking against a well-defined peer group.
 - As part of our report, we will quantify any adverse impact on ratepayers, if any, for each audit topic;
 - Our report, which will support the Staff, will utilize our standard format. This includes:
 - An Executive Summary that provides an overall assessment of compliance, a listing of major findings and recommendations, and most importantly, identifies any cost included in the audit found to be non-compliant with the Commission's applicable rules and regulations.
 - A statement of appropriate disallowances, the reasons therefore, and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery and/or refund of those costs.
 - Report chapters that logically address each topic, with detailed findings on both positive and negative conclusions, with detailed support.
 - Recommendations in each report chapter that includes support such as reference to findings, cost/benefit/schedule and priority.
 - Vantage will then work with the Staff to provide their summary and recommendations relative to our report.
 - Finally, we will stand for testimony as needed.



C. PROJECT MANAGEMENT TECHNIQUES

Vantage uses several proven project management techniques that will enable us to manage this project while enhancing communications among the project team members, the Department and Company management while ensuring confidentiality of key data.

COMMUNICATION AND PROJECT MANAGEMENT

Project Director - Walter P. Drabinski will serve as the Project Director on this project and will have day-to-day responsibility for on-site activities, scheduling of interviews, field trips, submittal, review and distribution of data responses and any day to day problems that arise. He will provide direct coordination of report drafts and assure that all work steps are fully addressed. In addition to having extensive responsibility for audit activities and authorship of the report, he will be responsible for overall quality control, schedule compliance and budget adherence. He will be the primary contact for contractual communications with PURA. He will also be responsible for facilitating resolution of any issues as they arise.

Project Administrator - Jean Gormley will handle paperwork administration, billing, transmission of data, assembling and editing of the draft report. She will also assure consistent formatting of exhibits and organization charts.

We will use several effective techniques that will enable us to manage this project while enhancing communications among the project team members and Staff. This is extremely important:

QUALITY REVIEW

A quality work product is a team effort. The process begins with the consultants - the individuals performing the day-to-day work. They must clearly understand the requirements of their assignments, have a well-considered plan of attack, and execute their assignments effectively. While it is the Project Director's responsibility to impart initial direction and focus, direct responsibility resides with the consultant for meeting detailed objectives and deadlines.

The Project Director and team members will meet reporting standards to ensure that the written report communicates the results of the audit in a complete, accurate, objective, convincing, clear, concise, and timely manner. Reports will include:

- a statement of the audit objectives and description of the scope and methodology
- a statement of professional standards adhered to in the analysis and the report
- a listing of significant issues and questions, if any, needing further study and consideration
- a listing of findings that are prioritized, relevant and practical
- a statement as to whether any pertinent information was omitted because it was deemed privileged or confidential and a description of the nature of such information and the basis under which it was withheld



These fieldwork and reporting standards are the foundation of our Quality Assurance Program. The quality review process involves the application of these standards at several points along the critical path.

CONFIDENTIALITY

Vantage recognizes that all information collected from the work processed under this contract must be treated with care to preserve any issues of confidentiality. Vantage and all employees involved on this assignment will sign the Non-disclosure and Use of Information Agreement upon award of the project. Further, Vantage will utilize its internal controls to ensure all materials are handled in a manner that prevents inappropriate dissemination. Internal controls consist of:

- Vantage's PC-based network database system is secured through a series of passwords for each project. Only selected project consultants have the ability to access the information in the database system
- All data stored at the Vantage office is kept in locked file drawers
- All information used by consultants is collected at the end of the project and stored with other working papers, notes and drafts in a secure room
- The Vantage network can be accessed through direct dial-up using a modem and passwords. The consultant or client is permitted access to limited areas of the network infrastructure, depending on security provisions. Using a password, the individual can upload or download files from prescribed sub-directories. The advantage of this system is that an individual can access any files needed without having them sent.
- Vantage also can use encryption software to ensure that the transmittal of files across the internet is secure. This method allows an individual to send or receive files that are encrypted. Only individuals with the same software and codes can then decode the files.

INFORMATION REQUEST MANAGEMENT SYSTEM

Throughout the course of the review, the team will submit a number of information requests. Efficiently managing outstanding information requests and those documents received are crucial to the success of the project. We use a cloud-based system designed to increase the efficiency of handling of all information requests.

After the initial submittal, information requests will be batch submitted and e-mailed to the Staff and Company Project Manager. Questions regarding definition of the requests by the Company will be facilitated by telephone discussions. In order to facilitate the timely completion of this fixed-price project, we anticipate receiving a response to most information requests within 10 working days.



AUDIT SAMPLING

Vantage utilizes Section 350 of the Generally Accepted Auditing Standards. We refer to Wiley, 2010 Practitioner's Guide, pages 311-333, for details on both statistical and non-statistical sampling methods as applied to a performance audit of the type required for this assignment.

AUDITING STANDARDS

- Vantage utilizes all auditing standards that are appropriate on each assignment we address
- We consider this assignment to be a Performance Audit in accordance with the Generally Accepted Government Auditing Standards (GAGAS) (also known as the Yellow Book)
- Vantage also utilizes the American Institute of Certified Public Accountants' (AICPA) Code of Professional Conduct when needed
- The National Association of Regulatory Commissioners' Consultant Standards and Ethics for the Performance of Management Analysis

DEVELOPMENT OF RECOMMENDATIONS

The development of concise, useful and cost effective recommendations is the ultimate objective of a management audit. Vantage approaches the development of recommendations from two directions. First, many recommendations become obvious as field work is progressing. Our consultants become aware of problems and can develop recommendations as the project progresses. These are then part of initial task reports and the first draft of a final report. More global, comprehensive recommendations are developed after the draft report is assembled and the Project Director and Lead Consultants assimilate the entirety of the analysis. These can encompass earlier proposed recommendations or be prepared as more global in nature.

DEVELOPMENT OF COST/BENEFIT ANALYSES

Good recommendations must be sensible. The cost/benefit must be well developed and favorable. Recommendations should be reasonably achievable. They must define the responsible party and schedule for implementation. The Vantage final report will provide, not only good, sensible recommendations, but an indication of cost and benefit, where possible and details on responsibility and schedule.

REPORT DOCUMENTATION

We have extensive procedures and PC-based software systems that permit us to:

- footnote, annotate, and cross-reference the task, draft, and final testimony to our working papers and the detailed work plan, resulting in a complete documentation trail
- schedule and track interviews through a PC-based database system

- track the request and receipt of information requests through a PC-based database. Numerous summary and detailed reports permit project management and allow the client to assess company response rates

Footnotes serve as the basis for annotating our reports, which we use to identify the source of information that supports a statement of fact, finding, conclusion, or recommendation. As policy, we require that every fact, quote, result of analysis, or other statement that can be challenged be footnoted.

PROJECT DELIVERABLES

Deliverables for this project include both verbal and written updates as well as specific written report drafts, ultimately concluding with a final report. Please note, since this assignment includes an M/P, and Financial Audit as well as a Market Study, we will report separately on each issue within a single report. Specific expectations of deliverables will include:

- **Conference calls** – Vantage’s experience has found that regular conference calls provides the opportunity to discuss schedule, data request issues and overall progress.
- **Detailed Work Plan** – A detailed work plan will be developed after preliminary interviews are conducted and the first set of data requests are provided and reviewed. This work plan will provide specific details on all work steps, evaluative criteria, a revised budget (keeping within the not-to-exceed amount) and analysis.
- **Draft Report**– A draft report will be provided as set forth in the schedule. It will be representative of the final report.
- **Final Report** - The final report to Staff will document Vantage’s evaluation of each aspect of the audit scope, as outlined in this RFP and the subsequent approved detailed work plan. All of our work papers will be made available.
- **Testimony** will be provided as required by the Project Director.

REPORT CONTENTS

The Vantage report will comply with both Yellow Book Standards and the requirements in the RFP as to content. Both M/P and Financial audits will include:

- A statement in the executive summary that describes the scope and objectives utilized in conducting the audit;
- A statement in the executive summary that describes methodology utilized in conducting the audit;
- Referenced findings, facts and conclusions in the report;
- Definitive findings as to compliance;



- Recommendations will reference the supporting findings. Further, recommendations will support rationale, cost, implementation schedule and proposed changes to the program;
- Our report will identify and explain any issues, areas or questions which need further examination.



III. FIRM EXPERIENCE AND REFERENCES

A. VANTAGE DESCRIPTION AND BACKGROUND

VANTAGE ENERGY CONSULTING LLC, (VANTAGE)

20844 4th Ave West
Cudjoe Key, FL 33042
Tel. (305) 744-3440/Fax (305) 744-3450
Web Site: www.vantageenergyconsulting.com
Email: wdrabinski@vantageenergyconsulting.com
Federal Tax ID #: 27-2585037

Vantage Energy Consulting LLC, (Vantage) is a management consulting firm headquartered in Cudjoe Key, Florida, with clients throughout North America. Vantage consultants possess a broad background in all business aspects of electric, gas, and water utilities, but retain particular expertise in utility operating functions. Vantage Energy Consulting LLC and its predecessor company, Vantage Consulting Inc., has been in existence for over 19 years. During that time, the firm has focused on conducting utility related management consulting assignments. As the details on specific assignments described below attests, Vantage has been one of the most successful companies in this venue.

The Vantage team consists of highly experienced, trained consultants, covering virtually all functional work areas within the utility industry. Vantage is staffed by a total of 12 full-time and contract consultants and administrative staff. Consultants have a diverse set of backgrounds, including engineering, accounting, economics, finance, and psychology.

Vantage provides a broad range of consulting services to investor-owned utilities, independent power producers, regulatory agencies, state planning and environmental agencies, and law firms. While the majority of our assignments are tailored to the specific needs of the client, there are also specific products and services which we offer when needed.



B. RECENT REFERENCES

KANSAS CORPORATION COMMISSION

Reference Contact

Jeff McClanahan, Executive Director
Kansas Corporation Commission
785-271-3212
j.mcclanahan@kcc.ks.gov

This reference supports both Vantage and its consultants.

System Analysis and Expert Witness re. Westar/KCP&L Merger

Vantage performed an assessment of the Westar and KCP&L generation plans, system reliability, customer service and merger savings related to the proposed merger of Westar and KCP&L. Walt Drabinski testified in February 2017 on the above topics.

Kansas City Power & Light Iatan 1&2 (2008-2012)

At the request of the Kansas Corporation Commission (KCC) Staff, provided oversight of the \$500 million installation of an Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.

KENTUCKY PSC

Reference Contact

Contact Person: Daryl Newby, Audit Manager
Tel./E-mail Address: (502) 564-7248 : daryl.newby@ky.gov
Address: 211 Sower Boulevard; P. O. Box 615; Frankfort, KY 40602

This reference supports both Vantage and its consultants.

Vantage reviewed testimony and assisted in rate cases related Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. On this assignment, Vantage consultants acted as an extension of staff in four separate cases. The ECR permits recovery of environmental costs through a separate surcharge after a formal proceeding. Vantage reviewed applications, submitted and reviewed interrogatories, prepared summaries for and briefed the Commissioners and Staff, assisted in hearings and helped draft the final orders. In total

almost \$5 billion in ECR projects were awarded. In addition to this assignment, Vantage has also performed management audits on Kentucky Utilities, Louisville Gas & Electric, Western Kentucky Gas, Kentucky Suburban Water Company, East Kentucky Cooperative; and Bell South.

Virgin Island Water & Power Authority (2014-2015)

Management audit of VIWAPA addressed many issues, including the implementation of new generating technology, a move to LPG from oil and the integration of wind and solar. Also, reviewed implementation of AMI, SCADA, development of a capital budget as well as traditional operational audit activities.

Reference Contact

Larry Gawlik (Commission Consultant Responsible for Audit)
17 Cousteau Lane
Austin, TX 78746
(512) 632-3196
lrgawlik@aol.com



IV. BUDGET

A. HOURS, FEES AND EXPENSES

The following is the budget for our work based on the requirement for the project. The detailed work plan and budget, once completed, will provide a basis for our final budget cost distribution. The rates provided below are standard hourly rates, based on an eight-hour day and include all personnel expenses for travel and incidentals. Any testimony that follows the project will be billed at the same rates. Meal and hotel use will follow state policy. The following table provides a summary of our fees.

Review of LPSC PGA Audit Hour and Fee Estimate							
	Project Director	Senior Economist	Senior Accountant	Senior Accountant	Project Adminsitration	Total Hours	Total Fees
	Drabinski \$240	Axelrod \$225	Diggs \$225	Davidson \$225	Gormley \$75		
Completion of all Field Work	80	64	104	104	24	376	\$82,200
Testimony	80	8	8	8	16	120	\$25,800
Project Total Hours	160	72	112	112	40	496	\$25,800
Project Total Fees	\$38,400	\$16,200	\$25,200	\$25,200	\$3,000		\$108,000
Consultant Trips	2	0	1	1	0		4
Estimated Travel Expenses							
Onsite Percentage	20%						
Hours per trip	24						
Hotel cost per trip	\$350						
Airfare per trip	\$600						
Ground Trans. per trip	\$100						
Per diem per trip	\$150						
Cost per trip	\$1,200						
Number of consultant trips	4						
Travel Expenses	\$4,800						
Total Project Cost	\$112,800						

B. INVOICING

Invoices will be submitted at 50% and 100% completion for a complete for review by the Staff. Invoice backup will include:

- a breakdown of charges by consultant and expense category;
- time reports for each consultant and staff person.

C. INSURANCE COVERAGE

Vantage carries extensive insurance coverage for assignments of this type. While we currently carry the levels shown below, we have the ability to increase our coverage to the required level and will commit to do so prior to starting work. A Certificate of Insurance demonstrating coverage will be submitted upon award of the contract.



V. RESUMES

- Walter P. Drabinski
- Howard Axelrod
- Ann Diggs
- Marie Davidson



RESUME OF MR. WALTER P. DRABINSKI

AREAS OF SPECIALIZATION

Mr. Drabinski is President of Vantage Energy Consulting LLC. He has almost 40 years of experience in the utility industry as both a utility company manager and a management consultant. His functional expertise includes all aspects of utility strategy, organization, executive and financial management, operations practices, productivity improvement, operations and maintenance, and engineering, environmental and construction management. As a utility manager, Mr. Drabinski held the positions of System Training Director, Fossil Generation; Supervisor, Electrical Maintenance; and Operations Project Engineer for Niagara Mohawk Power Corporation. As a management consulting principal, he has worked for national firms and has been President of Vantage for over 22 years. During that time he has managed more than 125 consulting engagements, including over 75 state regulatory commissioned audits. A summary of his assignments includes:

- performed 23 comprehensive and focused management audits;
- performed 19 affiliate audits;
- performed 22 fuel audits;
- reviewed 9 environmental compliance plans;
- monitored POLAR auctions 32 times;
- performed 11 prudence reviews;
- testified before regulatory bodies approximately 90 times; and
- provided direct consulting advice to approximately 22 utilities or large utility related companies.

SELECTED CONSULTING EXPERIENCE

PSE&G – Project Manager and Lead Witness for an audit of the Company’s Unbundling, Stranded Cost, and Restructuring plans and testimony. On this assignment, under the auspices of the New Jersey Board of Public Utilities, Vantage was the lead firm for a consortium of five consulting firms that addressed numerous critical and cutting edge issues. These included areas such as reconciliation of the regulatory and FERC books, development of cost of service studies, assessment of capital additions proposed for stranded cost recovery, calculation of market prices for energy and capacity, calculation of stranded costs associated with nuclear, fossil and non-utility generation, assessment of securitization as a mitigation option, and development of a comprehensive model that determined the possible rate reduction that could be achieved.

Duke Energy North Carolina – Project Director for a review of affiliated transactions associated with the Duke Energy, North merger with Progress Energy Carolina of Florida. The project addressed implementation of merger conditions, an audit of affiliate compliance rules. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed Duke Energy NC – North Carolina Utilities Commission (2014-2015)



Resume of Mr. Walter P. Drabinski

Duke Energy Ohio – Project Director for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Philadelphia Electric Company – Lead Consultant on a retrospective investigation of the Limerick Nuclear Power Plant. Analyzed the Company's financial condition during the construction program and reviewed construction management practices on the project. Prepared testimony for prudence hearings on construction management and financial performance.

Public Service Electric & Gas Co. – Project Manager for a retrospective investigation of the Hope Creek Nuclear Plant. Prepared cost reconciliation that identified reasons for cost overruns. Reviewed construction control tools, productivity results, and analyzed productivity programs for effectiveness. Wrote testimony, answered interrogatories, and assisted in cross-examination of witnesses. Made recommendations on cost tracking systems for future construction projects.

Duke Energy Kentucky – Project Director for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Duke Energy Indiana – Project Director for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Louisville Gas & Electric – Project Manager for a comprehensive management and operations review for the Kentucky Public Service Commission. A key element of this audit was the analysis of the Energy Services Company of LG&E Energy, a holding company which was the organizational entity responsible for all regulated generation and non-regulated generation, power marketing, and natural gas transmission activities. This included a special review of affiliated transactions. Acted as Lead Consultant in the areas of power production, fuel procurement, Affiliated Review, Clean Air Act compliance, Energy Policy Act response, and T&D engineering and construction. Assisted in review of strategic planning and power marketing activities. In conjunction with this audit, Mr. Drabinski met with the Commissioners a number of times to discuss issues of industry restructuring and the role the Commission should play.

Indiana Power & Light – Vantage acted as the evaluator, at the request of the Indiana Utility Regulatory Commission, for a three-year program in which customer service and



Resume of Mr. Walter P. Drabinski

distribution system reliability are being monitored with penalties for missing targets. A major element of this program was enhanced vegetation control.

Dayton Power & Light - Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.

Centerior Companies (Cleveland Electric Illuminating Company and Toledo Edison) - Project Manager on audit of electric fuel procurement practices and procedures for the Public Utilities Commission of Ohio in 1991. Responsibilities included the review of fuel procurement planning, long-term contracts, and spot procurement. Made recommendations regarding coal contracts, interstate wheeling arrangements, and coal transportation costs. Testified twice regarding results of audit report.

National Gas and Oil Company of Ohio - Lead Consultant on audit of fuel procurement practices for the Ohio PUC in 1986. Reviewed purchasing practices, storage activities, sales practices and policies and procedures. Made recommendations on strategic planning, purchasing policies, and marketing programs.

Monongahela Power (Allegheny Power Systems) - Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.

American Electric Power Company - Project Manager on audit of electric fuel procurement practices and procedures of two AEP subsidiary companies, Ohio Power Company and Columbus Southern Power Company in 1989 and 1990 for the Public Utilities Commission of Ohio. Responsibilities included the review of affiliated mines (surface and deep mines) and fuel procurement planning, long-term contracts, and spot procurement. Made recommendations on strategic planning, purchasing policies, contract analysis, and marketing programs. Testified on four occasions regarding results of audits.

Union Light, Heat and Power - Lead Consultant on a management and operations review for the Kentucky Public Service Commission. Responsibilities included all aspects of customer service and electric operations including: CIS; customer accounting; transmission & distribution; system planning; engineering; and construction. Also assisted in the review of the financial reporting relationship of the company to its parent, Cincinnati Gas & Electric, with an emphasis on allocation of costs.

Ohio Electric Co./Ohio PUC - Lead Consultant on a prudence review of the Beaver Valley Power Station. Areas reviewed included CAPCO organization and financing, construction management, project accounting, compatibility of prudence standards, and compliance with Yellow Book standards.



Resume of Mr. Walter P. Drabinski

Virgin Islands Power & Water Authority (2014-17) - Diagnostic audit of this electric and water utility that was facing serious financial, operational and infrastructure problems. Vantage, conducted a diagnostic audit which then focused on staffing, infrastructure, strategic planning, and other key issues. A broad range of recommendations were developed to reverse the decline of the utility.

Southern California Edison (2013 - 2015) - Audit of Southern California Edison's Reliability Investment Incentive Mechanism (RIIM) program that addressed almost \$2 billion in expenditures dedicated to reliability and increases in utility maintenance staffing. This was a unique project because it approaches reliability from an investment standpoint rather than performance measures only. Activities included in the audit consisted of reviews of capital projects for T&D, determination of projects that were reliability related, a review of SAIDI and SAIFI statistics and impacts due to improvement program and assessment of agreed to staffing requirements. Our analysis determined whether the project complied with regulatory orders and statewide standards.

California Independent System Operator - Project Director on an Independent Operational Audit of the CAISO for the period of 10/01 to 10/02. This assignment was performed at the request of the FERC and led to a series of five global recommendations. Shortly after the completion of the audit, Mr. Drabinski testified before the House of Representatives, Subcommittee on Subcommittee on Energy Policy, Natural Resources & Regulatory Affairs.

Pennsylvania Power & Light - Lead Consultant for a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Reviewed all aspects of customer service activities, including CIS and office operations. Also, reviewed system power & engineering, including fuel supply, T&D engineering, environmental, power plant staffing, and plant operations. Reviewed EMF issues and Clean Air Act Amendments compliance planning.

Kentucky Public Service Commission (2010-2017) - Project Director and witness associated with regulatory support related to electric utility generating resource Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. On this assignment, Vantage consultants reviewed filings from four utilities and then acted as an extension of staff in four separate cases. In total over \$5 billion was requested through a separate surcharge after a formal proceeding. Vantage reviewed applications, submitted and reviewed interrogatories, prepared summaries for and briefed the Commissioners and Staff, assisted in hearings and helped draft the final orders.

Consolidated Edison Company - Performed an audit of emergency restoration and outage planning capabilities for the New York PSC. Audit followed a number of large and highly public outages. Major recommendations were made to develop new strategies and programs for addressing reliability and outage response.

Kansas City Power & Light Iatan 1&2 (2008-11) - At the request of the Kansas Corporation Commission (KCC) Staff, provided oversight of the \$500 million installation of the Air



Resume of Mr. Walter P. Drabinski

Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.

Entergy Corporation – Project Manager for a review of affiliated transactions between Entergy Corporation, Entergy Services, Inc., and a myriad of regulated and non-regulated subsidiaries. This engagement, performed for five regulatory agencies, is in response to the 1991 Settlement Agreement with the SEC, at which time the holding company was formed. The results of this audit included reallocation of almost \$5 million and a reconfiguration of reporting requirements.

Sempra Energy (SDG&E and SoCalGas) – Project Director for affiliated audit for 1998 and 1999 calendar years to verify compliance with California PUC restructuring requirements. Assignment included assessment of company plan and audit of affiliate transactions. Acted as the lead consultant on areas that addressed Nondiscrimination Standards, Disclosure and Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

SDG&E, PG&E, SCE, and SCG – Project Manager on an audit of DSM administrative costs. Conducted for the CPUC CACD, this assignment took place during the period where working groups were assessing issues such as access to utility information and the future of DSM. Vantage provided feedback to a number of working groups on the needs of energy service companies.

Maryland Public Service Commission – Provided technical support in hearings and development of a final order relative to developing a formal procedure for addressing Standard Offer Service (SOS) supplies for its four electric utilities.

North West Energy – Mill Creek Station (2010-2012) - Provided input to the Company and PSC on the use and implementation of this three-unit 150 MW combustion turbine power plant. Monitored construction, startup and initial operation. Visited construction site on a regular basis and provided input to the construction team as well as the Montana PSC. Reviewed quarterly reports and testified before the Commission after each report. Provided insight on in-service criteria testing and other key design and operational elements.

Pacific Gas & Electric Co.- Project Director for affiliated audit for 2001, 2002, 2003, 2004 and 2005 calendar years to verify compliance with California PUC restructuring requirements. Assignment included assessment of company plan and audit of affiliate transactions. Acted as the lead consultant on areas that addressed Nondiscrimination Standards, Disclosure and

Resume of Mr. Walter P. Drabinski

Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

Louisville Gas and Electric/Kentucky Utilities Merger – Assisted with broad range of issues including regulatory strategy, synergy quantification, testimony development, witness preparation, interrogatory development and responses. System reliability and monitoring was a key element of this complex project.

Public Service Electric & Gas Company – Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

San Diego Gas & Electric – Project Manager on an assignment for the California PUC and SDG&E to review the implementation of Performance Based Ratemaking. This assignment included an assessment of financial, operational, performance and culture changes that were impacted by the two-year experimental program. While involved in this project, Mr. Drabinski developed an understanding of the SDG&E holding company formation and its interaction with the proposed industry restructuring.

New Jersey Board of Public Utilities – Director on major project to review hedging practices of the four gas distribution utilities in New Jersey. Working with Pace Energy as a sub-contractor, alternate hedging strategies were developed and proposed using more advanced techniques, including options.

FERC – Interfaced with Commission and its staff on issues such as Transco structures, restructuring, and ISOs. Prepared a white-paper that addressed a Transmission PBR as a mechanism for incenting utilities.

Maryland Public Service Commission – Monitored all RFP solicitations for 2007 and 2008 bid years. This amounted to nine solicitations for all four utilities in Maryland. Provided oversight on bid day, reviewed applications, provided confidential analysis and briefings to the Commissioners and testified on results.

Cumberland Valley Electric Cooperative – Performed a focused management audit of this small, rural cooperative. Worked with management to develop transition to new management team.

Alleghany Power Virginia – Monitored RFP solicitations for 2007 and 2008 bid years. Provided oversight on bid day, reviewed applications, provided a final report on results for the Virginia regulatory agencies.

Delaware Public Service Commission – Monitored all RFP solicitations for 2006 bid year. Provided oversight on bid day, reviewed applications, provided confidential analysis and briefings to the Commissioners and testified on results.



Resume of Mr. Walter P. Drabinski

California Public Utilities Commission Telco Division (Attestation Exams) – Mr. Drabinski was the Project Director on seven separate assignments for the CPUC during the period of 2000 to 2002. These included:

- examinations of surcharge collections of “high cost fund” and “teleconnect fund” amounts for AT&T, Verizon, Sprint, and PacBell. In each project significant accounting, interpretational and transmittal errors were discovered, leading to the recovery of amounts well in excess of project costs;
- examinations of claims requests of “high cost fund” and “teleconnect fund” for Verizon, PacBell, and Roseville.

Commonwealth Edison Company – Retained by the Illinois Commerce Commission to investigate outages suffered in downtown Chicago during the summer of 1999. The assessment provided a comprehensive analysis of eight separate outages, with details of causes and recommendations for improvement.

PJM Power Plant Arbitration – Provided testimony and technical assistance on arbitration for an independent power plant built in the PJM region. Issues involved interpretation of PJM rules and contractual issues such as commercial operation date and performance guarantees.

St. Vincent Energy Services Ltd. - At the request of the Board of Directors and Prime Minister, Vantage conducted a review of system reliability and fuel procurement. Significant findings resulted in a new strategic plan, a reorganization of management and a legal investigation into procurement practices.

Maryland Public Service Commission – Provided analysis and related testimony on restructuring-related cases in 2007 and 2008. Testimony involved wholesale market issues, portfolio options and rebuttal relative to utility witnesses.

Massachusetts Municipal Wholesale Electric Utility – Performed analysis on options for equipment upgrades at major facility and performed limited life extension analysis.

Seattle City Light – Conducted a controversial audit of Seattle City Light’s financial, risk management and governance structure. Serious issues regarding debt, O&M and Capital expenditures were raised. Major recommendations on risk management were developed.

New Hampshire Public Service Commission – Provided technical and strategic assistance under a long-term contract on transmissions and distribution issues. These included ISO strategies, local distribution reliability, asset decisions and general regional concerns.

Arizona Corporation Commission – Provided assistance to the Commission Staff and Commissioners on all restructuring issues under consideration. This includes development of an ISO. The reorganization of cooperatives and G&Ts for deregulation. Development of



Resume of Mr. Walter P. Drabinski

solutions regarding high costs resulting from California related issues. Reassessment of deregulation orders based on appellate decisions.

Public Service Electric & Gas – Engagement Manager during a long-term engagement with PSE&G. Specific assignments he directed are listed below.

- Developed a 30-year environmental plan, addressing power generation and environmental strategy.
- Assisted in development of innovative rate strategy for Bergen combined cycle unit.
- Worked on a team of utility employees, lobbyists, legislative staff members and the DOE to develop a program for voluntary reduction of CO₂ and global warming initiatives.
- Reviewed gas procurement strategy for 1300 MW of combine cycle generation.
- Conducted a tactical and strategic alternatives study of the Company's fleet of 158 combustion turbine generation plants.
- Developed a plan for complying with the 1990 Clean Air Act Amendments.
- Assisted in a study of the 1992 Energy Policy Act and prepared a report that illustrated how it would impact company operations.
- Wrote and supported testimony in the area of fossil generation on behalf of the Company in a major rate case.
- Developed protocols for NO_x emission trading within NESCAUM.

Kentucky Utilities Company – Project Manager for a comprehensive management and operations review for the Kentucky Public Service Commission. Acted as Lead Consultant in the areas of power production, fuel procurement, transmission operations, and engineering and construction. Provided numerous recommendations to improve competitiveness of this already low-cost utility. Met with the leadership of the State House of Representatives and Senate to discuss utility competition and industry restructuring.

BellSouth Telecommunications, Inc. – Project Manager on a review of BellSouth performance under an alternative regulation plan for the state of Kentucky. This is the first of nine states in which the Price Regulation Plan was up for renewal and, as such, was of great interest to the Company and regulators.

GTE of California and Contel of California (now Verizon) – Audited collection procedures and practices for various surcharge activities. Provided a CPA Opinion Letter, (through a subcontractor.)

US West – Provided assistance with quality control and final reviews of work product while an officer with the lead firm. This project reviewed affiliate transactions between parent and its subsidiaries. Assisted in development of model for cost allocation analysis.



Resume of Mr. Walter P. Drabinski

Pennsylvania Governor Task Force – Provided input to Governor’s office, legislature and PUC on restructuring issues in the State. Issues included handling of stranded costs, securitization, the development of competition, and the education of consumers.

Clean Air Action Corporation – Assisted in development of strategy regarding purchase and sale of emission credits throughout the Ozone Transport Region.

Honeywell/Allied Signal – Provided strategic assistance and research in development of commercial fuel cell. Conducted market research and facilitated meetings with utilities interested in commercial development.

Colonial Chemical Company – Assisted Company in identifying candidates for Selective Non-Catalytic Reduction systems to reduce nitrous oxide emissions from power plants.

Public Service Electric & Gas Company – Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

Duquesne Light Company – Project Manager for a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Mr. Drabinski was also the Lead Consultant in the review of executive management, strategic planning, affiliated relations, and financial management.

Choptank Electric Cooperative – Lead Consultant on a management and operations review for this REA in the State of Maryland. Reviewed all aspects of operations including executive management, organization, construction management, electric operations, system planning, materials handling, purchasing, and customer service.

East Kentucky Power Cooperative – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the Board of Directors. Visited all power plants, coal tipples, and a sampling of mines. Recommendations addressed a broad range of strategic and operational issues.

West Texas Utilities – Project Manager for a comprehensive management and operations review for the Texas Public Service Commission. Acted as a Lead Consultant in the areas of power production, fuel procurement, and customer services.

Philadelphia Gas Works – Project Manager for a management and operations audit for the Philadelphia Gas Commission. Lead consultant for the review of corporate organization and staffing, customer services, operations, and support functions. Addressed major gas supply planning issues. Managed a series of three follow-up reviews including development of Management Audit Actions Plans, an Audit Compliance Review, and a Review of the 1993 O&M Budget. Testified at numerous Commission hearings on capital budget planning, automatic meter reading, office aggregation, and theft of service.



Resume of Mr. Walter P. Drabinski

Maryland Public Service Commission – Consultant for an assignment to review long-term gas purchasing practices of Columbia Gas of Maryland, Baltimore Gas & Electric, and Washington Gas Light. Responsibilities included review of the 1988 plans, recommendations on requirements for future plans, and the training of commission staff personnel relative to conducting similar reviews of future plans.

Kentucky-American Water Company – Project Manager and Lead Consultant for a management and operations review for the Kentucky Public Service Commission. A key element of this audit was the holding company relationship with the many subsidiaries of American Water Works. Investigated the areas of customer service and marketing and engineering/construction.

El Paso Natural Gas Company – Lead Consultant on a productivity improvement project. Performed an in-depth review of all positions in operating divisions and reorganized operating divisions into profit centers. Developed procedures for in-house vs. outside construction decisions, construction scheduling, and cost data collection. Developed a manpower planning model for restructuring responsibilities and staffing levels. Implemented a workforce management program at gas processing plants, compressor stations, and throughout the gathering system.

Western Kentucky Gas Company – Lead Consultant for a management and operations audit of the customer services function for the Kentucky Public Service Commission. Developed plan for consolidating offices, resulting in significant changes in providing customer service.

Philadelphia Suburban Water Company – Lead Consultant/Project Manager on a comprehensive management audit for the Pennsylvania Public Utility Commission. Reviewed all aspects of field operations and water production.

East Kentucky Power Cooperative, Inc. – Performed as a subcontractor on a review of the bidding process for a series of combustion turbines. Analysis included reviews of individual proposals and the bidding process.

General Waterworks Company - Pennsylvania Operations – Lead Consultant in a management and operations review. Reviewed compensation, benefits and staffing, executive management, organizational structure, and corporate policies and procedures.

General Waterworks Company - Pine Bluff Arkansas Operations – Project Manager on a management and operations review. Reviewed finance and accounting, staffing, system operations, organizational structure, and corporate policies and procedures.

General Electric Field Engineering group – Lead Consultant for the implementation of a Job Management Program that included seminars, teaching concepts on work breakdown structures, budgeting, performance measurement, and critical path scheduling techniques.



Resume of Mr. Walter P. Drabinski

Overall program was aimed at improving construction management skills of field personnel.

Houston Light & Power – Consultant on South Texas Nuclear Project retrospective analysis. Reviewed construction management procedures and developed testimony for rate case.

Public Service Electric & Gas Co. – Project Manager for a review of the Engineering & Construction Department budgeting and approval process for capital projects at PSE&G. Developed flowcharts and improved methods for processing capital budgeting requests.

OTHER BUSINESS AND PROFESSIONAL EXPERIENCE

System Training Director for Niagara Mohawk Power Corporation. Managed a staff of eleven supervisors and instructors, as well as numerous contractors and part-time training personnel. Developed and implemented a productivity program to improve operating and employee productivity at all fossil power plants. Developed a performance-based progression program for craft personnel and assisted in negotiating contract changes with the International Brotherhood of Electrical Workers. Member of Electric Power Research Institute committee on power plant staffing and training. Chaired Electric Utility Technical Education Council. Developed and taught a seminar on power plant efficiency improvement to operating, management, and regulatory personnel.

Electrical Maintenance Supervisor for Niagara Mohawk Power Corporation. Managed two supervisors and thirty electricians performing electrical construction, maintenance, and repair. Developed and implemented a preventive maintenance program for a six-unit/2000 megawatt power plant. Managed roving maintenance crew, providing personnel, equipment, and expertise to nuclear power plants during outages. Responsibilities included all plant, fuel handling, and pollution control electrical equipment, switchyards, 345 kV overhead and 115 kV underground transmission lines, relay systems, telemetering, and telecommunication systems.

Operation Project Engineer for Niagara Mohawk Power Corporation. Participated in conceptual system design, construction management, and plant start-up of power plants, transmission lines, switchyards and plant electrical equipment. Represented utility during acceptance testing, start-up, and turnover of all electrical power systems, auxiliary equipment, and turbine and boiler instrumentation and control systems.

TESTIMONY

Testimony was provided in the following cases.



Resume of Mr. Walter P. Drabinski

- Cases 09-246 and 10-1025 for the Kansas Corporation Commission. Provided direct testimony on prudence of construction for Iatan 1 and Iatan 2 coal fired power plants.
- Montana PSC – Testify quarterly in results of monitoring Mill Creek power plant construction project.
- Case 99-434 Bell South of Kentucky. Audit and modification of Price Regulation Plan.
- Maryland PSC – Testified approximately 20 times on Provider of Last Resort (POLR) rules, regulation and energy solicitation results.
- Duquesne Light Company – Testified six times regarding POLR solicitations.
- CPUC Telco cases – Testified on eight occasions regarding results of attestation exams of Verizon, PacBell, Sprint, AT&T, and Roseville.
- Testified after acting as independent monitor during energy solicitations in Delaware (2 occasions)
- Commonwealth Edison – Testified before Illinois PSC on outages of 1999.
- PSE&G Restructuring hearing - Lead witness on all aspects of unbundling, restructuring, stranded costs, and deregulation issues.
- Case No. 97-105-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Dayton Light Company for the PUC of Ohio.
- Case No. 95-106-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Monongahela Power Company for the PUC of Ohio.
- Case No. 96-106-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Monongahela Power Company for the PUC of Ohio.
- Case 93-02-041 Financial Audit of the Demand-Side Management Pilot Bidding Program Administrative Services of Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company for the California PUC.
- Case D94-08-023 Mid-Point Evaluation of SDG&E’s Base Rates Performance Based Ratemaking Mechanism for the California PUC.
- Case No. 94-219-GA-GCR Management Performance Audit of West Ohio Gas Company for the PUC of Ohio.
- Case No. 91-103-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Toledo Edison for the PUC of Ohio.
- Case No. 91-104-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Cleveland Electric Illuminating Company for the PUC of Ohio.
- Case No. 89-100-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Ohio Power Company for the PUC of Ohio.

Resume of Mr. Walter P. Drabinski

- Case No. 89-101-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Columbus Southern Company for the PUC of Ohio.
- Case No. 90-100-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Ohio Power Company for the PUC of Ohio.
- Case No. 90-101-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Columbus Southern Company for the PUC of Ohio.

EDUCATION

- BSEE from SUNY Buffalo with a concentration in power engineering, including transmission line and large equipment analysis;
- MBA in Finance and Entrepreneurial Management from the Wharton School;
- Approximately 40 seminars on power plants, transmission and distribution system design and maintenance.

PUBLICATIONS

Primary contributing author of five textbooks developed for the Electric Power Research Institute (EPRI) and the Center for Occupational Research and Development (CORD).

- Introduction to Instrumentation and Control.
- Electronic and Pneumatic Control Devices.



RESUME OF DR. HOWARD J. AXELROD

AREAS OF SPECIALIZATION

Dr. Howard Axelrod has over 40 years of experience in utility planning, forecasting, and strategic regulatory and market analysis. With proficiencies in power systems planning, regulatory economics, and marketing, he offers a multi-disciplinary approach to assessing and solving complex energy issues. Having served on the New York Public Service Commission as special assistant to Chairman Alfred Kahn, then appointed by Governor Cuomo as Director of the Consumer Protection Board's Utility Intervention program, he has gained considerable insights into the needs of energy consumers and the protections they require, especially as the industry becomes less regulated.

Dr. Axelrod also has extensive knowledge of the regulatory initiatives which foster the restructuring of the electric utility industry in the New England, New York, and PJM regions. He is an active participant in New York's Competitive Opportunities proceeding having served on several committees including the stranded cost computation and recovery, Independent System Operator, and Market Power committees. In New Hampshire, he participated in the State's Retail Pilot Project and helped a major New York utility prepare its market entry in New Hampshire and Massachusetts. As a consultant to the FERC, he supported the development of the Draft Environmental Impact Statement for the Mega-NOPR (FERC Order 888 and 889) for which he analyzed emerging transmission technologies that would enhance competition and also developed the industry structure scenarios used to assess the environmental impact of a competitive energy market.

He is a senior strategic advisor to a number of major electric, gas and telecommunications utilities as they address a range of competitive issues. Dr. Axelrod has participated in a number of Commission and Board sponsored management audits with a focus on executive management, enterprise risk analysis, strategic planning, and marketing. He has also participated in, and managed over, 200 electric, gas and telecommunications rate applications including the review of cost of service (including affiliate transactions), rate design, and rate of return.

Dr. Axelrod is a trained power system planner with Bachelor's and Master's degrees in Electrical Engineering - Power Systems and the completion of General Electric's three year Application Engineering training program. While GE's training program included a range of disciplines including transmission and distribution analysis, Dr. Axelrod's focus was on generation planning and the influence of load growth on reserve margins and the sizing and timing of base load generation. His doctoral thesis received from Rensselaer Polytechnic Institute dealt with decisions models relating to optimized generation expansion planning.

RISK MANAGEMENT

Over the last decade, Dr. Axelrod has lead in the development of risk management best practices as they relate to energy portfolio management, counterparty credit risk and long-term purchase power (PPA) agreement review. He supported the development and implementation comprehensive Enterprise Risk Management (ERM) programs at the NYISO, NYPA, Southern



Resume of Dr. Howard Axelrod

Company and the Massachusetts Municipal Wholesale Electric Company, where he also serves as the Chief Risk Officer. He has also performed numerous energy risk management best practice reviews for:

- The Energy Authority
- Guam Power Authority
- Alabama Municipal Electric Authority
- Roseville Electric
- Traverse City
- Merced
- Missouri River Energy Services
- American Municipal Power
- New York Power Authority
- Iberdrola (NYSEG/RG&E)
- Southern Company's Mississippi Power.

Dr. Axelrod has presented speeches on energy risk management before the Northeast Public Power Association and The Energy Authority's annual conferences.

STRATEGIC PLANNING

Dr. Axelrod has performed a range of strategic planning engagements to over twenty major municipal and investor owned electric utilities. He has led and facilitated five strategic plans for such clients as The Energy Authority, the New York Power Authority, Omaha Public Power District, American Transmission Company and Detroit Edison (DTE). Other strategic advisory clients have included Southern Company, Georgia Power, Oglethorpe Power, PSE&G, the Edison Electric Institute, Western Resources, and the NYISO. As a best practice, he has also introduced risk management techniques and tools to evaluate business uncertainty, as well as future opportunities and threats. Ten utilities have subscribed to Energy Strategy, Inc.'s Risk Management Training seminars for which over 150 utility planners have participated.

PSEG, performed a range of system planning studies including such topical issues as:

- The conversion of coal fired generation to natural gas as a means to capture CO2 emissions credits pursuant to emerging Kyoto Accord opportunities
- The economic benefit and impact of the acquisition of Niagara Mohawk's Albany Steam Plant leading to the development of the Bethlehem CCGT Plant.

New Hampshire Public Service Commission, performed an independent system planning assessment using a comprehensive risk model to assess the conversion of a PSNH coal plant to wood chips.

Santee Cooper Power, one of the Nation's largest municipal electric systems performed an independent risk assessment of its long range generation plan including a mix of coal, nuclear

Resume of Dr. Howard Axelrod

and CCGT base load generation. Dr. Axelrod has developed a proprietary planning model that evaluated the relative risk of a range of base load generation technologies including new nuclear, nuclear life extension, conventional and clean coal, combined cycle generation and a range of renewable technologies.

Unitil, developed a comprehensive planning tool to evaluate the relative economics of distributed energy resource applications as a potential offset to distribution and transmission investments. Such DER applications might include solar electric installations at the customer site to reduce peak demand and associated capital requirements at stressed distribution networks.

WHOLESALE MARKET ISSUES

Dr. Axelrod has been actively involved in the development of competitive wholesale markets since its inception in the late 1990's. He has supported the formation of efficient and effective markets in New York, New England, and PJM. Dr. Axelrod's clientele have included a broad range of market participants including regulators, trade organizations, large energy users, independent power producers and wholesale traders and risk managers.

As leading energy economists, Dr. Axelrod was invited in 2006 to join a small group of noted economists including the late Dr. Alfred Kahn and Nobel Laureate Vernon Smith to jointly prepare an open letter to regulators and other policy makers to refrain from abandoning the development of competitive wholesale markets because of the well-publicized rate increase sought by Baltimore Gas and Electric in Maryland.

Dr. Axelrod has also been a leading advocate of enterprise risk management (ERM) as a best practice for controlling transactional risks and has been retained by a number of institutions to support the implementation of such programs. His clients have included the NYISO, NYPA and Southern Company.

The following is a list of representative wholesale market assignments.

- For the NYISO, Dr. Axelrod was retained to perform an independent assessment of the ISO's risk profile. Based on his assessment numerous changes were authorized by its Board of Directors and the framework for an ERM process was authorized. The NYISO has subsequently been nationally recognized for its ERM program.
- Dr. Axelrod has also been retained by the NYISO to study other wholesale market issues. For example, he analyzed why approximately 50 percent of all wholesale electric transactions were bilateral contracts while the remainder were executed in the NYISO's Day Ahead markets. He was also asked to study the potential effects of electric vehicle penetration on wholesale markets including the potential opportunities for vehicle to grid (V2G) applications.

Resume of Dr. Howard Axelrod

- For the New York Power Authority, Dr. Axelrod led a management review of NYPA’s wholesale marketing practices including procurement protocol and risk management procedures.
- Dr Axelrod was again retained by NYPA to assist in the development and implementation of an enterprise-wide risk management program.
- For a range of independent power suppliers, Dr. Axelrod has been retained to support the development of competitive market strategies. Such clients have included: Cogentrix (a subsidiary of Goldman Sachs), Mirant, PSEG Trading, Sempra, and USPG.
- For Roseville Municipal Electric system, Dr. Axelrod performed a “best practice” assessment of its wholesale market practices and procedures including electric and gas portfolio management, power contract management, risk management protocol and counterparty credit and collateral management.

Public Service Commission of New York (2012) – a lead consultant in a commission sponsored management audit of Iberdrola’s NYSE&G and RG&E utility operations. Dr. Axelrod was responsible for evaluating transmission and distribution planning including distributed generation, load and energy forecasting and wholesale market competition.

Public Service Commission of New York – Consultant supporting an operational audit of Con Edison’s reliability and emergency response planning and processes responsible for executive management, strategic planning and governance.

New York Power Authority’s Board of Trustees (2011) - Dr. Axelrod was lead consultant performing an independent management review of NYPA’s Risk Management function.

New York Independent System Operator’s Board of Directors (2011) - Dr. Axelrod performed an enterprise risk management review which addressed all aspects of the ISO operations as well as organizational and operational requirements for its transition to a regional transmission.

Iowa Public Utility Commission (2012) – A lead consultant in a commission sponsored prudence investigation of IP&L’s sale of its transmission network to ITC. Dr. Axelrod managed the investigation of MISO impact assessment and the coordination of transmission planning between IP&L and ITC.

Texas Public Utility Commission (2013) – A lead consultant in the commission’s investigation of Entergy’s proposed membership in the MISO and the company’s proposed sale of its transmission network to ITC. Dr. Axelrod led the investigation on the impact of MISO markets on Entergy Texas’ cost of service.

Massachusetts Municipal Wholesale Electric Company (Ongoing) – Chief Risk Officer of this state-owned joint action agency which supplies energy to over twenty electric municipal electric systems. Dr. Axelrod is responsible enterprise risk management and overseeing MMWEC’s



Resume of Dr. Howard Axelrod

energy procurement and hedging programs and reports the Board of Trustees Risk Oversight Committee.

Dr. Axelrod has supported and facilitated the development of strategic plans for several utilities that include the following.

- Commonwealth Edison.
- Brooklyn Union Gas.
- Central Nebraska Public Power and Investigation District.
- Municipal Electric Utility of Georgia.
- Georgia Power.
- Oglethorpe Power.
- KPL - Gas Services.

UTILITY RATE-MAKING AND REGULATORY POLICY ANALYSIS

Dr. Axelrod has extensive rate-making experience having served as a staff member of the New York Public Service Commission and as Director of Utility Intervention for the New York Consumer Protection Board. He has testified in over 75 proceedings and managed over 200 rate cases. As a management consultant for the last ten years, Dr. Axelrod has supported the development of a range of regulatory strategies for major electric and gas utilities.

Dr. Axelrod has provided expert testimony in areas addressing cost of capital, wages and salaries, labor and total factor productivity, energy and sales forecasts, excess capacity, rate phase-ins, economic impact, nuclear "need for power" prudence, affiliate transactions and promotional rate practices. He has also been lead consultant in rate settlement proceedings before state and federal regulators.

His clients have included Georgia Power, Northeast Utilities, Western Resources (KPL), Brooklyn Union Gas, Boston Edison, Eastern Utilities Associates, Midwest Resources (Iowa Power), Oglethorpe Power, Northern Indiana Public service, Old Dominion and New York State Electric and Gas.

MARKET ANALYSIS, MARKETING AND COMPETITIVE ASSESSMENT

Dr. Axelrod has performed a wide range of studies in the areas of market analysis, sales forecasting and marketing. He is an experienced strategic planner and marketing facilitator and process analyst. He has supported a number of major utilities develop comprehensive business and marketing strategies focused for both customer retention and expansion. He has also been retained to review and assess planning, forecasting and marketing processes and recommend changes in response to the transition to a competitive energy market. He has helped utilities develop customized marketing programs for key customer accounts, area and economic



Resume of Dr. Howard Axelrod

development, electric and gas technology assessment, gas main extension strategies and natural gas vehicle programs.

His clients have included Public Service Electric and Gas, Long Island Lighting Company, Brooklyn Union Gas, Orange & Rockland Utilities, Georgia Power, Oglethorpe Power, New York State Electric & Gas, and Western Resources. In addition, as part of comprehensive management audit studies, Dr. Axelrod has evaluated wholesale and retail marketing at Pennsylvania Electric, Metropolitan Edison, Pennsylvania Power & Light, Kentucky Utilities and Louisville Gas & Electric.

STRATEGIC PLANNING, MERGER AND ACQUISITION ANALYSIS

Dr. Axelrod has extensive experience in the areas of strategic planning and merger and acquisition analysis. He has supported a number of electric and gas utilities develop strategic and business plans. On several instances he has facilitated senior management strategic retreats. Dr. Axelrod has also performed independent studies assessing the acquisition of electric and gas utilities. For Commonwealth Edison he was instrumental in the company's successful defense of a City of Chicago takeover bid. He also performed acquisition studies of Long Island Lighting Company's gas division, Finger Lakes Gas Company and Savannah Electric. For a major southeast utility, he performed risk analysis of a number of gas acquisition opportunities.

Dr. Axelrod has completed strategic planning, merger and acquisition analysis assignments on behalf of Commonwealth Edison, Brooklyn Union Gas, The Village of Urbana, NY and other confidential utilities.

ORGANIZATIONAL CONSULTING

Dr. Axelrod has performed a number of organizational studies for electric and gas utilities. His primary specialty is the analysis of planning, forecasting and marketing processes. He has supported a number of utilities in re-engineering these functions in the Company's effort to transition to a competitive market. The planning areas have included both integrated resource planning and strategic planning. For the marketing function, he has supported the development of both retail and wholesale marketing strategies and organizations. Dr. Axelrod has also performed several "best practices" studies for wholesale and retail marketing and has used these findings to recommend organizational and process changes to significantly improve performance. On several occasions he helped management prepare its organization for an integrated planning environment and collaborative proceedings.

Dr. Axelrod has completed organizational consulting assignments on behalf of Georgia Power, Oglethorpe Power, Long Island Lighting Company, KPL-Gas Services, Wallingford Electric Department, and the City of Dover Electric Department. For state regulatory agencies, Dr. Axelrod reviewed the planning and marketing organizations of the following utilities: Pennsylvania Electric; Metropolitan Edison; Pennsylvania Power and Light; Public Service Electric & Gas; Delmarva; Kentucky Utilities and Louisville Gas & Electric.



Resume of Dr. Howard Axelrod

OTHER BUSINESS AND PROFESSIONAL EXPERIENCE

Energy Strategies, Inc. - Founder and President.

R. J. Rudden and Associates – Vice President.

Resource Management International - Vice President.

Planmetrics, Inc. - Vice President - Regulatory Strategy Group.

New York State Consumer Protection Board - Director of Utility Intervention.

New York State Energy Research and Development Authority - Project Manager.

New York State Public Service Commission - Senior Research Analyst.

General Electric Company - Application Engineer.

PROFESSIONAL MEMBERSHIPS

Institute of Electrical and Electronics Engineers, Senior Member.

Registered Professional Engineer, New York (retired).

SELECTED PUBLICATIONS

- “POLR in Pennsylvania,” presentation to the Pennsylvania Energy Associations’ Annual Conference, Sept, 2000.
- “Brand Management: A Primer on Branding,” an EPRI White Paper, December, 1999.
- “An Assessment of the Market of the Market Potential for Value Added Services”, unpublished, June 1997.
- “Strategies to Develop a National Customer Base,” presented at the 1997 Annual Executive Marketing Conference sponsored by the Institute of Gas Technologies.
- “Value-Based Pricing: Being Competitive and Profitable,” presented at the DA/DSM Annual Conference, January 28-29, 1997.
- “The Role of Peak Shaving in an Open Access Industry,” presented at the Institute of Gas Technology conference on Peak shaving: Issues; Answers & Strategies; June 24-26, 1996.
- “Financial Implications of a Changing Natural Gas Marketplace,” presented at the Institute of Gas Technology conference on Energy Marketing, December, 1995.



Resume of Dr. Howard Axelrod

- "Where Will New Energy Markets Emerge and How Quickly?" presented at the Institute of Gas Technology conference on Natural Gas Marketing, September, 1994.
- "The DSM-Marketing Linkage," paper presented at the GRI and A.G.A. Workshop on Gas Load Research and Demand Analysis, May, 1994.
- "Managing Your Gas IRP," paper presented at the Northeast Gas Market Annual Meeting, June 1993.
- "Risk and Uncertainty in Utility Planning," with James Letzelter, Resource, Volume 4, Number 2, Summer 1992.
- "Was Your Winter Cold Enough?" Resource, Volume 4, Number 1, Spring 1992.
- "Rocky Mountain Pumped Storage Validation Report," prepared for Oglethorpe Power, June 1991.
- "Putting Your Forecasters Back to Work," Resource, Volume 1, Number 1, Spring 1991.
- "An Independent Assessment of the Costs, Benefits and Risks Associated with a Municipal Takeover of Commonwealth Edison's Chicago Divisions," prepared for Commonwealth Edison Company, 1988.
- "The Economic Impact of Electric Rate Increase Options in Georgia," prepared for Georgia Power, November 1986.
- "Predicting the Next Regulatory Crisis: An Issues Management Approach," appeared as a chapter in a book entitled The Future of Electrical Energy: A Regional Perspective of an Industry in Transition, 1986.
- "Analysis of Brooklyn Union Gas Company's Proposal to Purchase the Long Island Lighting Company's Gas Operation," prepared for Brooklyn Union Gas Company, July 1985.
- "Economic Analysis of Incremental Electric Generation Sizing and Timing," Doctoral Thesis, Rensselaer Polytechnic Institute, May, 1981.
- "Factors Influencing Industrial Coal Conversion in New York State," with Dr. Fred Strinisa, paper presented at the Governor's Conference on Expanding the Use of Coal in New York State, May, 1981.
- "Utilization of Solid Waste in New York: A State Governor's Positive Action Program," paper presented at the First International conference on Conversion or Refuse to Energy, Montreux, Switzerland, November, 1975.
- "Measuring Electric Utility Productivity," appeared as a chapter in a book entitled Public Utility, August 1975.
- "Prospects of New and Evolving Technologies," with P. Mathusa, D. Stricos, H. Guttman and B. Dwyer, New York Public Service Commission, April 1975.



Resume of Dr. Howard Axelrod

- “Urban Applications of Fuel Cells,” with Parker Mathusa, Electric Light and Power, April, 1972.

EDUCATION

Ph.D. - Managerial Economics, Rensselaer Polytechnic Institute, Troy, New York.

M.B.A - Organizational Theory and Marketing, State University of New York, Albany.

M.S.E.E. - Power Systems, Northeastern University, Boston, Massachusetts.

B.S.E.E. - Power Systems, Northeastern University, Boston, Massachusetts.

HONORS AND FELLOWSHIPS

Senior Member of the Power Systems Society

Member of PRMIA - Professional Risk Managers International Association



RESUME OF MR. MICHAEL C. BOISMENU PE

RELEVANT CREDENTIALS

Through the past four decades he has been actively involved with all phases of the electric power industry. He has successfully completed major design engineering projects, managed multi-disciplined construction projects, managed a large coal fired power plant, managed regional generation assets, and most recently provided consulting services to a variety of power industry clients. His specific power industry related experience includes the following and is further detailed below.

SELECTED CONSULTING EXPERIENCE

Virgin Islands Power & Water Authority (2014-15) - Diagnostic audit of this electric and water utility that was facing serious financial, operational and infrastructure problems. Vantage, conducted a diagnostic audit which then focused on staffing, infrastructure, strategic planning, and other key issues. A broad range of recommendations were developed including changes to the electric power supply, staffing, and transmission and distribution enhancements.

EPRI Plant Maintenance Planning (2014) - Performed research throughout fossil industry and prepared a report on the status of non-outage power plant planning practices. Included analysis of software systems currently utilized.

Louisville Gas & Electric (2010 - Present) - Provided the independent monitoring of \$1 Billion air emission projects at impacted power plants to enable the Company to meet current EPA regulations.

Kentucky Utilities (2010 - Present) - Provided the independent monitoring of \$1 Billion air emission projects at impacted power plants to enable the Company to meet current EPA regulations.

Northwest Energy - Mill Creek Station (2010-12) - Monitored the construction of this three-unit 150 MW combustion turbine power plants for the Montana Public Service Commission. Visited construction site on a regular basis and provided input to the construction team as well as the Montana PSC. Reviewed quarterly reports and testified before the Commission after each report. Provided insight on the In-service criteria and testing and other key design and operational elements.

Lower Colorado River Authority Audit of Affiliate Relations (2010) - Project Manager for review of power plant cost allocations, development of cost allocation manual, and assessment of compliance with agreements with Austin Energy.

Kansas City Power & Light Iatan 1&2 - (2008-11) At the request of the Kansas Corporation Commission (KCC) Staff, provided oversight of the \$500 million installation of an Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and



Resume of Mike Boismenu

other key attributes associated with a mega-project. Supported the regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.

OTHER BUSINESS AND PROFESSIONAL EXPERIENCE

T & D System Optimization:

- As the Engineering Standards Director developed materials and methods to optimize the safety, reliability and efficiency of the Niagara Mohawk T&D System. Included the automation of the T&D Engineering Standards development process and integrated the standards with the Work Management System.

Plant Management and Operations:

- Provided total asset management and leadership for the Station in the evolving electric supply business;
- Instrumental in the successful negotiation and settlement of the long-standing real estate tax litigation case with the City of Dunkirk. Resulted in savings of \$80 million through the term of the agreement;
- Improved the overall image of the Company through participation in Chautauqua County Reengineering Initiative and the associated Implementation Steering Committee. The initiative resulted in a significant reduction in the size of the County government's Executive Staff;
- Provided the leadership to successfully transition the workforce of the power plant from the regulated electric generation business to a non-regulated electric generation environment;
- Through targeted attrition and position abolishment's reduced the staffing level of the power plant from 208 to 125 employees. This coupled with innovative partnering agreements with vendors resulted in a reduction of the Station's Operation and Maintenance budget by 45% from the previous year's level;
- Provided the organizational design to complete the safe and effective complete of the NRG Dunkirk Power Plant from eastern coal to PRB coal.

Asset Management:

- Provided an assessment of the NRG Big Cajun II operation and maintenance process. Resulted in a significant improvement in availability and a more functional and responsive organization design;
- As the Regional Director of Operations in the NRG Mid-Atlantic Region. Completed an assessment of the operation and maintenance practices and made recommendation and



Resume of Mike Boismenu

implemented a combination of Station physical, organizational and employee development and improvement programs all of which contributed to the significant reduction in the NRG Indian River Station's forced outage rate;

- As the Regional Director of Operations for the NRG New York Region, developed the Regional plan for emergence from bankruptcy, redirected the Region to assure appropriate input from each generating facility.

EDUCATION

- Associates Degree in Applied Science - Erie County Technical Institute;
- Lemoyne College - MBA in progress;
- New York State Professional Engineer - 1987;
- Significant in-service professional training



RESUME OF MR. JAMES HABBERFIELD

RELEVANT CREDENTIALS

Experienced Energy Consultant and Executive with a demonstrated history of managing energy portfolios and trading, working with distributed generation and renewable energy, and leading complex regulatory programs. Demonstrated history of working with utilities, stakeholders, and public interest groups, and leading energy innovation. Strong Business Development and Project Management background with a passion for energy and emerging energy technologies.

SELECTED ENERGY INDUSTRY EXPERTISE

- Extensive energy industry knowledge, including state regulations, Public Utility Commission filings and approval processes, regional and national energy market rules and standards, and federal energy regulation and legislation.
- Leading Regulatory Filings and Project Management, heading compliance efforts, and designing and implementing innovative energy programs.
- Served on industry committees such as PJM, NERC, and Pennsylvania state collaboratives.
- Worked in wholesale and retail markets, including pricing, trading, and program design.

Energy Market Trading and Portfolio Risk Management

- Including Bilateral Contracts, Options and Forward Contracts.
- Daily Spot Market trading on regional electricity markets including PJM, NYISO, MISO, ERCOT, ISO-NE, exchange trading such as NYMEX and CME.
- Managing commodity portfolios, open positions, Value at Risk (VaR) analysis, price forecasting and volatility analysis.
- Hosted RFP's and Online Auctions to fulfill utility commodity supply needs.

Distributed Generation and Renewable Energy

- Developed energy infrastructure plans and projects, including microgrids, renewable energy such as wind and solar, geothermal, and biogas.
- Worked with power plants and wind farms to increase revenue in regional electricity markets.
- WGL Energy; Washington, DC - Developing energy investment opportunities for WGL Energy. Focused on distributed generation, renewable energy, geothermal, fuel cells, and energy storage opportunities in Pennsylvania. Leading efforts to construct the energy system for the Hazelwood Green development in Pittsburgh.



Resume of Mr. James Habberfield

Business Planning and Strategy

- Crafted business plans, Investor Pitches, and Marketing Plans.
- Responsible for Budgeting, Forecasting, and analysis.

Sales, Business Development, and Project Development

- Drove Sales and Business Development, prospecting and networking.
- Developed relationships with Stakeholders.
- Managed accounts for Customers, Suppliers, Vendors, and Partners.
- Extensive Pricing and Contract Negotiation experience.

Big Data, Advanced Analytics, and Software Design

- Experienced with Big Data, Artificial Intelligence, Machine Learning, and Advanced Analytics.
- Led product design for energy software and analytics tools.

kWantera, Inc.

Senior Vice President of Commercial Operations

- Recruited to join kWantera, a technology start-up that used artificial intelligence technology to make specific trading and operational recommendations to energy market decision-makers.
- Quickly promoted to executive level and acted as a member of the five-person leadership team that determined all strategic business decisions for the company.
- Doubled Revenue within one year of being put in charge of Commercial Operations.
- Improved Customer Satisfaction by 50% by building strong customer and partner relationships.
- Created an improved Commercial Strategy and grew the Sales Pipeline by 400%.
- Won a major deal by signing GE as a partner. Developed a product for renewable generators and then fully licensed it to GE as part of their Digital Wind Farm in 2016.
- Successfully launched multiple new products by guiding the Product Development process.

Duquesne Light Company

Supervisor, Forecasting and Supply Procurement

Forecasting and Risk Management Specialist

- Led strategic projects including multiple successful regulatory outcomes in front of the Public Utility Commission.



Resume of Mr. James Habberfield

- Responsible for all power supply needs for the company, including wholesale trading and conducting auctions.
- Increased company revenue by \$40 Million by successfully testifying as a company witness in multiple successful rate hike proceedings in front of the Public Utility Commission.
- Drafted forecasts and business plans for Board approval, and led Business Development efforts.
- As project leader, led the company's default service team to a successful outcome in our regulatory filings to the Public Utility Commission. Submitted written testimony, multiple rounds of rebuttal testimony, and worked with the legal team to draft briefs and petitions.
- Designed and won approval from the PUC for the utility's first Time of Use rate plan for customers who have received smart meters. Drafted program rules and supply contracts for retail suppliers.

EDUCATION

- University of Pittsburgh, Pittsburgh, PA, Bachelor of Science - Dual Major: Economics and Business



RESUME OF MR. CHUCK BUECHEL

AREAS OF SPECIALIZATION

Mr. Buechel has worked on numerous consulting assignments for electric, gas, water, and telephone utilities. The primary focus of many of these assignments has been regulatory matters, however, he has consulted on other matters, including corporate and strategic planning, incentive regulation, least-cost planning, workforce management, and competitive bidding.

Prior to consulting, Mr. Buechel spent over nine years on the Staff of the Kentucky Public Service Commission. During his tenure at the Commission, he was public utility economist, Director of Research Division, and Deputy Executive Director. His assignments at the Commission included: the preparation of an integrated resource planning regulation; coordinating a statewide load management committee to investigate time-of-day rates and other load management issues; directing staff in rate cases and special investigations; writing orders as directed by the Commission; establishing a management audit program; and testifying in selected cases.

SELECTED CONSULTING EXPERIENCE

Duke Energy Ohio – Lead consultant for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Pacific Gas & Electric Co. – Senior Consultant for affiliated audit for 2001 and 2002 calendar years to verify compliance with California PUC restructuring requirements. Assignment included assessment of company plan and audit of affiliate transactions. Acted as the Lead Consultant on areas that addresses Nondiscrimination Standards, Disclosure and Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

Public Service Electric & Gas Company – Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

Seattle City Light – Retained by the City Council to perform an audit of the municipally-owned Seattle City Light electric utility. Assigned issue was governance of the municipal utility. The audit yielded recommendations for training the council members to better understand the issues and to add additional resources for oversight of the utility.

Federal Energy Regulatory Commission – Senior Consultant for an operational audit of the California Independent System Operator. The audit was performed for FERC. Assigned

Resume of Mr. Chuck Buechel

issues of primary focus were market design, the relationships among the parties and governance of the ISO.

Arizona Corporation Commission - Senior Consultant to provide advice and assistance to the Commission regarding the on-going implementation of its industry restructuring initiative.

Louisville Electric & Gas and Kentucky Utilities - Actively participated in the development of a comprehensive performance-based regulation mechanism and provided support for development of tariff, preparation of testimony, and witness preparation and worked with attorneys to prepare briefs.

Public Service Electric & Gas - Senior Consultant in the evaluation of cost of service studies and unbundling plan for the Restructuring Plan submitted to the New Jersey Board of Public Utilities.

Entergy - Consultant in this financial audit of affiliated transactions between Entergy Corporation, Entergy Services, Inc., and subsidiaries responsible for the review of affiliated transactions, allocation, accounting procedures and control, improper disclosure, and insulation and segregation of regulated and non-regulated affiliates.

California Public Utilities Commission - Regulatory Lead Consultant for an assignment to assist with the evaluation of a two-year experiment to implement performance-based ratemaking for San Diego Electric and Gas Company's gas procurement and generation and dispatch functions.

San Diego Gas & Electric Company - Consultant responsible for this mid-term evaluation of the Company's Base Rates Performance-Based Ratemaking mechanism which included analysis and assessment in the areas of price and corporate performance.

Big Rivers Electric Corporation - Provided support and assisted with the preparation of the Company's regulatory filings before the Kentucky PSC for approval to implement a proposed lease of its generating assets to a subsidiary of LG&E Energy.

Delta Natural Gas - Assisted with the preparation of an application to increase rates and modify rate design. Testified on rate design changes for larger commercial and industrial customers as well as other specific charges.

East Kentucky Power Cooperative, Inc. - Senior Consultant for a project to audit the fuel procurement function at East Kentucky Power Cooperative. The assignment is being performed for the Fuel and Environmental Committee of the Board of Directors.

Louisville Gas and Electric Company/Kentucky Utilities Company - Provided strategic, regulatory and operational advice regarding merger between these two utilities. Assisted

Resume of Mr. Chuck Buechel

with preparation of merger application and provided regulatory strategy regarding synergy savings.

Kentucky Public Service Commission - Engagement Director for a project to prepare a joint response for a consortium of four utilities in Kentucky. The response is to the Kentucky Public Service Commission Administrative Case No. 341, An Investigation into the Feasibility of Implementing Demand-Side Management Cost Recovery and Incentive Mechanisms. The response discusses the advantages and disadvantages of various regulatory incentives with regard to DSM and conservation.

Louisville Gas and Electric Company - Lead Consultant in the preparation of its application to establish a holding company. The application included proposed guidelines to be used in financial dealings between the subsidiary companies, as well as the allocation of costs between the companies.

New England Telephone Company - Consultant for the management audit of its affiliated interests. The audit was performed for the Department of Public Utilities of Massachusetts. Primary responsibilities included providing regulatory advice and consultation to the audit team.

Kentucky Utilities Company - Engagement Director for a project to provide advice and consultation with regard to the preparation of an application for a certificate of convenience and necessity to construct additional peaking capacity. The filing was prepared to comply with a comprehensive regulation on integrated resource plan adopted by the Kentucky Public Service Commission. Areas of responsibility included preparing the responses for the sections of the IRP regulation, which were concerned with demand-side management.

Columbia Gas of Ohio, Inc. - Consultant for its management and operations audit. The audit was for the Public Utility Commission of Ohio. Areas of responsibility include requirements forecasting and flexible transportation program.

Pennsylvania Gas & Water Company - Consultant for a comprehensive management audit. The audit was performed for the Pennsylvania Public Utilities Commission. Areas of responsibility included requirements forecasting, rates and regulatory relations, and financial management and planning.

West Texas Utilities Company - Consultant for a management and operations audit. The audit was performed for the Public Utility Commission of Texas. Areas of responsibility included financial planning and economic analysis, and system planning.

East Kentucky Power Cooperative, Inc. - Engagement Director for the performance of an audit of evaluation of competitive bids it received for providing generating capacity to meet its needs. The purpose of the audit was to provide assurance to EKPC's management that

Resume of Mr. Chuck Buechel

each of the proposals is provided fair and consistent treatment. The audit was needed because the company had also provided a bid.

Big Rivers Electric Corporation - Engagement Director for an assignment to implement a comprehensive planning process. The process was centered on an annual planning cycle, which incorporates the corporate and strategic plans with the divisional plans and budgets.

Kentucky Public Service Commission - Witness testifying on behalf of GTE Products Corporation in Kentucky Public Service Commission Case No. 10498, a request by Columbia Gas of Kentucky, Inc. to raise its rates. The testimony supported the continuation of a flexible rate for the transportation of natural gas to industrial customers with alternative fuel capability.

Henderson County Water District - Lead Consultant for a comprehensive operations review. The study was sponsored by the district's Board of Directors. Areas of responsibilities included operations planning, organization and staffing, system management, and customer service.

Lexington Fayette Urban County Government - Principal Investigator for a report regarding the feasibility of regulating landfill operations at the Kentucky Public Service Commission.

Kentucky-American Water Company - Lead Consultant for a project to review and comment on drafts of testimony and a consultant's report on the need to expand its water treatment capacity. The testimony and report was the subject of a mock hearing.

Kentucky Public Service Commission - Witness testifying on behalf of AT&T Communications in Kentucky Public Service Commission Administrative Case No. 323, an investigation into permitting intraLATA toll competition. The testimony related to the validity of a customer survey submitted by AT&T in the proceeding.

East Kentucky Power Cooperative, Inc. - Engagement Director for a project which reviewed its load research program, made conclusions regarding the statistical validity of its previous efforts, and provided recommendations for future studies.

TESTIMONY

Testimony was provided in the following cases.

- Federal Energy Regulatory Commission on behalf of the Kentucky Public Service Commission regarding AEP's membership in PJM and the KPSC's role in approving the membership.
- Case No. 2003-00434, Kentucky Utilities' rate case, before the Kentucky Public Service Commission on behalf of North American Stainless regarding a proposed non-conforming load tariff.



Resume of Mr. Chuck Buechel

- New Jersey Board of Public Utilities on behalf of the Staff of the NJBPU regarding Public Service Electric & Gas' cost of service studies and unbundling proposals in support of its Restructuring Plan.
- Case Nos. 2009-00548 and 00549, Kentucky Utilities and Louisville Gas & Electric rate cases, before the Kentucky Public Service Commission on behalf of the Kentucky School Board Association.
- Case No. 2010-00204, transfer of Kentucky Utilities and Louisville Gas & Electric to PP&L, before the Kentucky Public Service Commission on behalf of the Kentucky School Board Association.

OTHER BUSINESS AND PROFESSIONAL EXPERIENCE

President, Utility and Economic Consulting, Inc., February 1989-Present. The company provides utility, regulatory, management, and economic consulting services. The consulting engagements described above were performed since the formation of UEC.

Deputy Executive Director for the Public Service Commission of Kentucky, 1986-January 1989. Primary responsibilities included:

- Managing staff, through their directors, to ensure that cases were processed according to operating procedures and in a timely fashion.
- Working directly with the staff to develop regulatory policy positions for presentation to the Commissioners. One of the key policies developed involved a revised regulatory scheme to promote a more competitive environment for the delivery of natural gas.
- Preparation of a proposed comprehensive planning regulation for the Commission. The regulation, which is applicable to the state's electric utilities, specified filing requirements for the reporting of load forecasts and resource information including demand-side management and supply-side options.

Director, Division of Research, for the Public Service Commission of Kentucky, 1983-1986. Primary responsibilities included:

- Managing and providing direction for the economic research staff. The staff provided economic advice to the Commission concerning regulatory issues arising in the electric, telephone, gas, and water industries. This included making case assignments, reviewing the economists' work, preparing budgets, as well as other administrative duties.
- Participating in cases before the Commission. This involved working with other staff personnel, reviewing utility filings, preparing data requests and cross-examination of witnesses, advising the Commission, and preparing orders as instructed by the Commission.



Resume of Mr. Chuck Buechel

- Load Management Coordinator. This position required coordinating, leading discussions, and making presentations to two statewide load management committees - a steering and a technical committee. The committees were composed of Commission staff, utility executives, and consumer representatives. The committees met quarterly to discuss and review the implementation of time-of-day rates for large commercial and industrial customers. Various other load management techniques were also reviewed and considered.
- Project Coordinator, Case No. 8666 - An Investigation Into Alternative Load Forecasting Methods and Planning Considerations for the Efficient Provision of Electric Generation and Transmission Facilities. In this docket, the Commission hired the services of a consultant to perform the following tasks: review the forecasting methods of the state's electric utilities; provide alternative forecasts; examine the potential benefits of conservation; evaluate alternative construction scenarios assuming the formation of a statewide power pool; and estimate the financial impact of the alternative scenarios. Primary duties were to be the intermediary between the consultants, Commission, the utilities, and other parties; to conduct review sessions on the consultant's work; and to evaluate the draft and final reports produced by the consultant.
- Project Officer for comprehensive management audits of Kentucky Utilities Company and South Central Bell Telephone Company. The Commission instituted a management audit program, which involved hiring consultants to review the management practices of all the state's major utility companies. The role of the project officer was to ensure satisfactory and timely performance of the proposed work; to attend selected interviews; and to critically review and evaluate analytical results.

Public Utility Economist for the Public Service Commission of Kentucky, 1979-1983.

Primary responsibilities included:

- Assisting the Commission in implementing procedures and policies to meet the federal mandates of the Public Utility Regulatory Policies Act (PURPA). This involved performing cost-of-service studies, developing alternative rate design proposals, and testifying on the ratemaking standards in Section 111 of PURPA.
- Developing the Commission's regulations pertaining to cogeneration.

Assistant Professor, Department of Economics, for Morehead State University, 1976-1979.

Primary teaching responsibilities were investments, introduction to economics, and intermediate macroeconomics. Other teaching responsibilities included managerial economics and computer programming in BASIC. Committee work included membership on the Southern Association Self-Study and the Committee on Student Life.



Resume of Mr. Chuck Buechel

EDUCATION

B.S. in Economics with Honors, University of Kentucky

M.A. in Economics, University of Kentucky

Ph.D. Candidate, University of Kentucky



RESUME OF MS ANN DIGGS, CPA

Ms. Diggs has twenty years of progressive utility regulatory experience, including nine years as a Staff member of the Kansas Corporation Commission and 11 years as a regulatory utility consultant. Ms. Diggs has led a number of rate case investigations, supervising and coordinating the work of other regulatory professionals. Ms. Diggs' regulatory experience has included the review and supervision of all aspects of revenue requirement, including Income Statement, Rate Base, and Capital Structure. Ms. Diggs is a CPA licensed to practice in the State of North Carolina. She has presented written and oral expert witness testimony in areas including the following:

- Cost of service
- Kansas Universal Service Fund (KUSF) audits
- Acquisition premium recovery
- Allocation of jurisdictional overhead construction costs
- Affiliate transactions
- Fuel cost repricing
- Corporate cost allocation studies
- Merger savings analysis

KEY SKILL SETS

Analytical Skills - Ms. Diggs has strong analytical and research skills. She has demonstrated the ability to identify pertinent issues, organize and analyze complex data, and formulate concise, well supported positions representing ratepayer interests within the regulatory framework.

Strong Regulatory Background - Ms. Diggs' progressive experience with the Kansas Corporation Commission, from hands on auditing to management of the accounting and finance staff, has provided her with a broad understanding of the application of technical ratemaking concepts. She has an extensive background working with issues specific to the regulated gas, electric and telecommunications industries.

Communication Skills - Ms. Diggs communicates effectively with all parties involved in the regulatory process and believes this is imperative to obtaining necessary discovery, understanding the positions of the company and other parties, and coordinating and formulating her positions in written and oral expert witness testimony. She has worked closely with the legal staff in preparing and presenting cases for hearings, and has participated in numerous successful settlement negotiations.

WORK EXPERIENCE

October 2003 to Present - Ann Diggs, CPA, Owner



Resume of Ms. Ann Diggs, CPA

CPA practice providing utility regulatory consulting services and accounting and tax services to individuals and businesses.

February 2001 to October 2003 – Accountant, BHI, Ltd.

- Corporate accounting responsibilities for resort, property management and development company.

August 1998 to October 2000 – Controller, Regulatory Action Division (RAD) Trust/

- Financial Examiner, North Carolina Department of Insurance. Conducted financial examinations of insurance companies and continuing care facilities. Controller of RAD Trust, established under the supervision of the North Carolina Department of Insurance. Responsible for accounting functions, internal controls, financial reporting, allocation of costs to estates, budget preparation and tax return preparation.

July 1991 to June 1998 – Senior Auditor/Managing Auditor/Chief of Accounting and Financial Analysis, Kansas Corporation Commission

- Directed professional staff in the timely development, analysis and recommendations of accounting and financial issues in rate cases, mergers and acquisitions of jurisdictional utilities. Provided written and oral expert witness testimony in technical hearings. Participated in settlement negotiations.

January 1986 to July 1991 – Accountant, Topeka Public Schools

- Responsible for accounting and reporting functions. Administered federal and local grants. Prepared and monitored annual budget.

March 1984 to January 1986 – Senior Utility Regulatory Auditor, Kansas Corporation Commission

- Audited construction costs of the Wolf Creek Nuclear Generating Station. Prepared written findings. Assisted in technical hearings before the Commission.

May 1983 to March 1984 – Central Accountant, Division of Accounts and Reports,

- State of Kansas- Audited vouchers and inventory records for accuracy and compliance.

September 1982 to May 1983 – Associate Auditor, Legislative Division of Post Audit, State of Kansas

- Performed financial and compliance audits of State agencies. Prepared written findings and recommendations.



Resume of Ms. Ann Diggs, CPA

EDUCATION AND CERTIFICATION

1982 - B.B.A. Major in Accounting. Washburn University of Topeka, Kansas, 1999 - CPA Certificate No. 26758, State of North Carolina

PROJECTS AND TESTIMONY

- 92-KPLE-228-ECA - Kansas Power & Light - Elimination of the ECA Clause
- 92-KPSG-201-RTS - Kansas Public Service, Division of UtiliCorp - Application to Make Certain Changes in Its Charges for Natural Gas Service - O&M Adjustments
- 92-UNCG-434-RTS - United Cities Gas - Application to Increase Certain Natural Gas Rates - Rate Base adjustments, acquisition premium recovery, and jurisdictional allocation of construction overhead costs
- 92-UNCG-364-RTS - United Cities Gas - Application to Increase Certain Natural Gas Rates - Revenue requirement adjustments
- 96-WSRG-099-RTS - Western Resources - Application to Make Certain Changes in Its Charges for Natural Gas Service - Allocation of costs to Western Resources' non-regulated affiliates and effects on cost of service
- 96-KG&E-100-RTS - Kansas Gas & Electric dba Westar Energy - Application to Make Certain Reductions in Its Charges for Electric Service
- 193,306-U and 193,307-U - Kansas Gas & Electric - Application to Make Certain Reductions in Its Charges for Electric Service - Fuel repricing and affiliate cost allocation studies
- 97-WSRG-486-MER - Western Resources and ONEOK - Merger of Western Resources' Gas Transportation and Distribution Assets - Effects of proposed merger on Western Resources' Kansas electric utility operations and cost of service, and potential impacts of Shared Service Agreements
- 97-KCPE-661-RTS - Kansas City Power & Light - Revenue Requirement Review - Testimony supporting negotiated Settlement Agreement between KCP&L, Commission Staff and the Citizens Utility Ratepayer Board
- 06-ELKT-365-AUD - In the Matter of an Audit of Elkhart Telephone Company, Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations.
- 06-H&BT-1007-AUD - In the Matter of an Audit of H&B Communications, Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations.
- 07-MDIT-195-AUD - In the Matter of an Audit of Madison Telephone, LLC, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations.



Resume of Ms. Ann Diggs, CPA

- 07-PLTT-1289-AUD – In the Matter of an Audit of Peoples Telecommunications, LLC, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations.
- 08-MRGT-211-KSF – In the Matter of an Audit of Moundridge Telephone Co., Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations.
- 08-CBST-400-KSF – In the Matter of an Audit of Columbus Telephone Co., KUSF audit. Expedited filing – performed audit but no written testimony was filed and case was settled.
- Twin Valley Telephone Inc., KUSF audit. Expedited filing – performed audit but no written testimony was filed and case was settled. 09-TWVT-069-KSF
- Audit of Mutual Telephone Co., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 09-MTLT-091-KSF
- Audit of Blue Valley Telephone Co., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 09-BLVT-913-KSF
- In the Matter of the Application of Kansas City Power & Light Company to Modify Its Tariffs to Continue the Implementation of Its Regulatory Plan - Testimony related to affiliate and corporate allocations. 10-KCPE-415-RTS
- Audit of Haviland Telephone Co., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 10-HVDT-288 -KSF
- Audit of Golden Belt Telephone Assn., KUSF audit. Expedited filing – performed audit but no written testimony was filed and case was settled. 10-GNBT-526 -KSF
- Audit of United Telephone Assoc., KUSF audit. Expedited filing – performed audit but no written testimony was filed and case was settled. 10-UTAT-525 -KSF
- Pioneer Telephone Association, Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 11-PNRT-315-KSF
- Rainbow Telephone Association, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 11-RNBT-608-KSF
- Cunningham Telephone Co., Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 11-CNHT-659-SKF
- S&T Telephone Coop Association, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 12-S&TT-234-KSF
- Gorham Telephone Company, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 12-GRHT-633-KSF
- LaHarpe Telephone Company, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 12-LHPT-875-AUD
- CrawKan Telephone Company, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 13-CRKT-268-KSF
- JBN Telephone Company, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 13-JBNT-437-KSF



Resume of Ms. Ann Diggs, CPA

- Peoples Telephone Company, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 13-PLTT-678-KSF
- Wamego Telecommunications Company, Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 14-WTCT-142-KSF
- S&T Telephone Coop, KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 14-S&TT-525-KSF
- Moundridge Telephone Co., Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 15-MRGT-097-KSF
- Twin Valley Telephone, Inc., KUSF audit. Testimony related to cost of service, affiliate transactions, and cost allocations. 15-TWVT-213-AUD
- the Joint Application of Great Plains Energy, Kansas City Power & Light Company and Westar Energy, Inc. for approval of the Acquisition of Westar Energy, Inc. by Great Plains Energy Inc. Testimony related to merger savings, affiliate transactions, and bill credits. 16-KCPE-593-ACQ



RESUME OF MS. MARIE H. DAVIDSON, CPA

AREAS OF SPECIALIZATION

Ms. Marie Davidson has been a Senior Consultant with Vantage for over 15 years and has extensive experience in the electric and gas utility industries. Her consulting experience includes the areas of accounting, cost of service allocation methods, project cost management, and holding company affiliated transactions. She was a member of the Ernst & Young Utilities Consulting practice from 1988 to April 1995, where she provided expertise in the areas of utility accounting, ratemaking, financial planning, and operational analysis.

Prior to that period, Ms. Davidson was a senior accountant with Arthur Andersen & Co. where she planned and supervised financial audit engagements for retail, manufacturing, and government contracting concerns. In addition, she evaluated financial control systems of client companies, prepared financial forecasts and assisted clients with public stock offerings. She was also employed in the Pratt Group Treasury Department, a large international manufacturing concern in Melbourne, Australia. Her duties included arranging for short-term borrowings from the company's banks and analyzing the financial results of the company's U.S. operations.

SELECTED CONSULTING EXPERIENCE

Duke Energy Carolinas – Lead consultant for a review of affiliated transactions between DEC and its affiliates, parent and other regulated subsidiaries. This audit addressed merger compliance issues that were mandated by the Merger of Duke and Florida Progress Energy. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Duke Energy Ohio – Lead consultant for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Long Island Power Authority (LIPA) – Consultant for a review LIPA's outage management and system restoration which examined: (1) the preparation for Tropical Storm Irene; (2) LIPA's performance in restoring electric service to customers; (3) LIPA's communications with its customers and with municipal and other government officials responsible for responding to emergencies during and after Tropical Storm Irene; and (4) emergency response plans. Responsible for analyzing and quantifying costs associated with the storm response and for evaluating LIPA's storm-related accounting procedures and records management.

Public Service Electric & Gas – Senior Consultant on a comprehensive review of all competitive services and affiliate standards based on recently implemented Affiliate Rules



in New Jersey. Ms. Davidson addressed the issue of cross-subsidization for the overall organization. This included extensive work with SAP and other accounting systems.

Sempra Energy – Lead Accountant for an independent audit of the holding company’s compliance with the affiliated interest guidelines established by the California Public Utilities Commission. Projects included San Diego Gas & Electric and Southern California Gas Company.

New Jersey Board of Public Utilities – Assisted in the evaluation of Public Service Electric & Gas’s stranded cost quantification as part of the utility’s electric deregulation proposal. Testified before the Board of Public Utilities regarding the utility’s calculation of deferred income taxes, accumulated depreciation, and electric plant balances. This included a reconciliation of FERC and regulatory balance sheets, analysis of proposed changes of T&D depreciation rates, an assessment of proposed capital additions, reconciliation of cost-of-service inputs, analysis of depreciation and tax changes needed for stranded cost calculation, and assessment of tax implications of tax issues of securitization.

Entergy Corporation - Consultant for an affiliated relations audit for five commissions composed of four states (Arkansas, Louisiana, Mississippi, and Texas) and the city of New Orleans. Audit focused on transactions between the regulated affiliates and the non-regulated affiliates, but included an overall review of all transactions which was performed using statistical sampling.

California Utilities - Consultant on this financial audit for the California Public Utility Commission of Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, and Southern California Gas Company’s Demand-Side Management Pilot Bidding Program comparing administrative costs and services between the utilities and developing recommendations and methodologies for future competitive services with energy service companies.

Pacific Bell, AT&T, Sprint and Verizon – Lead Consultant for an Attestation Examination of Surcharge Revenues collected for the California High Cost Fund B and the California Teleconnect Fund. Project was done for the respective committees at the CPUC.

Baltimore Gas & Electric Company - Directed a review of the Company's affiliated company transactions and policies. Identified and quantified additional costs which should be allocated to the non-utility subsidiaries and developed new inter-company cost allocation procedures. Developed expert testimony.

Jersey Central Power & Light Company - Reviewed the company's accounting, cash management, internal audit, affiliated transactions, and financial management practices as part of a comprehensive management audit.

South Jersey Gas Company - Reviewed the company's accounting, financial management, income taxation, regulatory affairs, and internal audit practices as part of a comprehensive management audit.

Resume of Ms. Marie H. Davidson, CPA

Centra Gas British Columbia - Conducted a cost of common service allocation study in order to develop an allocation of common operating and maintenance costs to the Fort St. John district.

Southeast Compact Commission - Conducted a review of all actual and budgeted expenditures to be incurred in constructing a low-level radiological waste facility. Developed recommendations for improving the estimation of project costs.

Village of Freeport - Directed the cost of service analysis prepared in connection with the village's proposed addition of new generating and transmission facilities.

Abitibi-Price Inc - Assisted in the review of Newfoundland and Labrador Hydro's proposed new cost of service methodology and developed portions of expert testimony relating to cost of service methodologies.

Commonwealth Electric Company - Reviewed the company's budgeting and cost control practices as part of a focused management audit.

Duquesne Light Company - Reviewed the company's accounting, internal audit, financial management, and affiliated transactions practices as part of a comprehensive management audit.

Destec Energy Corporation - Developed an alternate basis for pricing cogenerated power.

Public Utility Commission of Texas - In a prudence review of the South Texas Nuclear Project, Ms. Davidson evaluated the cost overruns that were incurred during the project's construction and assessed the actions that were taken by the project's owners to minimize the construction costs. Ms. Davidson developed portions of expert testimony relating to cost analysis of the project and presented testimony for the PUCT staff on quantification of unreasonable costs.

Cajun Electric Cooperative - Developed a methodology to quantify damages pursuant to a litigation claim and identified information which would be required to calculate damages.

Texas-New Mexico Power Company - In a prudence review of Texas-New Mexico Power's TNP One Project, Ms. Davidson performed a cost management analysis. This task required reconciling actual cost increases to the conceptual estimate. In addition, Ms. Davidson developed portions of expert testimony relating to financial prudence of the project.

Arizona Corporation Commission - In a prudence review of the Palo Verde Nuclear Generating Station, Ms. Davidson quantified the costs associated with delays in placing nuclear units in operation by assessing past and future differences in system-wide energy costs and fixed costs of operations. Ms. Davidson also calculated the net present value of costs and benefits ratepayers would realize as a direct result of the delay in placing these nuclear units in operation and developed portions of expert testimony relating to revenue requirements analysis.

State of Vermont - Assisted the State of Vermont in its evaluation of the projected financial statements of one of its electric cooperatives. Developed a financial projection model and prepared expert testimony.

EDUCATION

MBA, University of Virginia

BSBA, Georgetown University (cum laude)

Ms. Davidson is a Certified Public Accountant

