



March 7, 2019

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

Attention: Kim Trosclair

RE: RFP 19-02

ReSolved Energy Consulting, LLC (“REC”) is pleased to submit this Proposal for Services to the Louisiana Public Service Commission (“LPSC” or “Commission”) for consulting services in the review of the *Application Requesting Consolidation of Atmos Energy Corporation’s Louisiana Rate Divisions, Trans Louisiana Gas and Louisiana Gas Service and Related Amendments to Rate Schedules and Tariffs*. This proposal describes the consulting services REC will provide including:

- A. Statement of the Project
- B. Firm Profile
- C. Work Plan
- D. Prior Experience
- E. References
- F. Personnel
- G. Statement of Potential Conflicts of Interests
- H. Budget Estimates
- I. Authorized Signature
- J. Resumes

REC believes this proposal is responsive to the LPSC’s needs and that the results of REC’s consulting efforts will ensure that the LPSC is prepared to address any issues brought forth as a result of this review and analysis. We are confident that we can serve the Commission’s needs and look forward to working with the Commission staff.

Thank you for the opportunity to prepare this proposal for services. If you have any questions regarding this proposal, please feel free to call me at (512) 331 – 4949, extension 105.

Very truly yours,

Karl J. Nalepa
President



Proposal for Services

**Louisiana Public Service Commission
Request for Proposals No. 19-02**

**Outside Consultant to Assist Staff with
Review of the Application Requesting Consolidation of
Atmos Energy Corporation's Louisiana Rate Divisions**

March 7, 2019

TABLE OF CONTENTS

| | | |
|-----------|---|-----------|
| A. | STATEMENT OF THE PROJECT | 1 |
| B. | FIRM PROFILE | 1 |
| C. | WORK PLAN | 2 |
| D. | PRIOR EXPERIENCE | 5 |
| E. | REFERENCES | 7 |
| F. | PERSONNEL | 8 |
| G. | STATEMENT OF POTENTIAL CONFLICTS OF INTEREST | 9 |
| H. | BUDGET ESTIMATES | 9 |
| I. | AUTHORIZED SIGNATURE | 10 |
| J. | APPENDIX - RESUMES | 11 |

***Proposal for
Louisiana Public Service Commission
RFP 19-02
Outside Consultant to Assist Staff with
Review of the Application Requesting Consolidation of
Atmos Energy Corporation’s Louisiana Rate Divisions***

A. STATEMENT OF THE PROJECT

Atmos Energy is requesting to consolidate the rates and tariffs, including the rate stabilization clause rate schedules (“RSCs”), of their two rate divisions within Louisiana; Trans Louisiana (“Trans La”) and Louisiana Gas Service (“LGS”). The Louisiana Public Service Commission (“LPSC” or “Commission”) has issued a request for outside consultants to assist with the Commission’s review of the Atmos Energy consolidation request. Under the Staff’s direction, ReSolved Energy Consulting, LLC (“REC”) task is to assist the Commission’s Legal Division in the review of Atmos Energy’s request for consolidation, review of the terms within the RSC, conduct discovery, prepare and defend direct and rebuttal testimony, participate in public hearings, assist Staff in preparation of any post-hearing briefs or filings, assist in any settlement discussions and/or stipulation hearings, and, if required, attend and testify at the Commission’s Business and Executive Session(s).

B. FIRM PROFILE

ReSolved Energy Consulting, LLC is a consulting firm specializing in the electric and natural gas utility industry since 1998. REC services includes regulatory assistance, resource planning, power supply analysis and procurement, economic and financial analysis, cost of service analysis and rate design, competitive assessment, litigation support, and load aggregation services.

REC personnel regularly participate in utility regulatory proceedings. These activities often include representing the interests of municipalities and their ratepayers in utility base rate or fuel cost proceedings, fuel reconciliation and refund filings, annual rate adjustments such as transmission, distribution, and purchased power cost recovery factors, and other such filings by investor owned utilities. REC has also represented public power entities in base rate and wholesale transmission rate increase requests. A majority of our assignments have been before Texas regulatory bodies, but REC consultants have provided services throughout the country.

In addition to regulatory proceeding engagements, REC is also experienced in the procurement of energy supplies at both a wholesale and retail level, and has also assisted clients in asset divestiture and procurement. Following are some representative projects in which REC has assisted clients in these matters.

Since 2001 REC has served as technical consultant to a large power aggregation group that since 2011 is called Texas Cities for Affordable Power (“TCAP”). This group is comprised of over

160 Texas cities and political subdivisions. REC's duties include supply procurement, including issuance of RFPs for power supplies and the negotiation of power supply agreements, provide technical assistance on electric issues, assist individual members with electric problems, and provide new and innovative approaches for saving members money via innovative procurement and contracting. REC developed and implemented one of the first arrangements in the Texas deregulated market where customers separately procure power and REP services from alternative providers.

As consultant to a large Texas municipal utility, REC performed financial analysis and negotiated provisions of the sale of generation assets by the utility to a third party, as well as negotiating a related multi-year transitional power agreement for the municipal utility. In addition, working as consultant to a Texas municipal utility, REC solicited and negotiated a multi-year power purchase agreement totaling \$200 million for full-requirements wholesale electric supply and QSE and energy balancing services in ERCOT. Furthermore, REC consultants have served as project advisor for numerous other power purchase contracts, interconnection agreements, and a construction contract for a 700 MW combined cycle generation project in Texas.

For additional information please visit our web site at www.ReSolvedEnergy.com.

C. WORK PLAN

REC will provide regulatory consulting to the Commission responding to the Company's filing. REC will work closely with the LPSC Staff in reviewing the operations, books and records of Atmos Energy. REC's consultants, working in concert with Staff, will develop and assist in the development of data requests and will review and analyze the utility's responses to those data requests as well as responses to data requests submitted by other parties, if any.

Although Atmos states that its filing is revenue neutral, combining customers under different rates requires a careful study of the impacts on individual customers, as some customers will see rates increase while others will experience rate reductions. The Commission's General Order dated March 18, 1994 sets forth 18 factors that should be considered in conjunction with a change in ownership or control of jurisdictional utilities, and may be applicable to the proposed Atmos consolidation as well:

1. Whether the transfer is in the public interest.
2. Whether the purchaser is ready, willing and able to continue providing safe, reliable and adequate service to the utility's ratepayers.
3. Whether the transfer will maintain or improve the financial condition of the resulting public utility or common carrier ratepayers.

LOUISIANA PUBLIC SERVICE COMMISSION
OUTSIDE CONSULTANT TO ASSIST STAFF WITH REVIEW OF THE APPLICATION REQUESTING
CONSOLIDATION OF ATMOS ENERGY CORPORATION'S LOUISIANA RATE DIVISIONS
RFP 19-02

4. Whether the proposed transfer will maintain or improve the quality of service to public utility or common carrier ratepayers.
5. Whether the transfer will provide net benefits to ratepayers in both the short term and the long term and provide a rate making method that will ensure, to the fullest extent possible, that ratepayers will receive the forecasted short and long term benefit.
6. Whether the transfer will adversely affect competition.
7. Whether the transfer will maintain or improve the quality of management of the resulting public utility or common carrier doing business in the state.
8. Whether the transfer will be fair and reasonable to the affected public utility or common carrier employees.
9. Whether the transfer would be fair and reasonable to the majority of all affected public utility or common carrier shareholders.
10. Whether the transfer will be beneficial on an overall basis to State and local economies and to the communities in the area served by the public utility or common carrier.
11. Whether the transfer will preserve the jurisdiction of the Commission and the ability of the Commission to effectively regulate and audit public utility's or common carrier's operations in the State.
12. Whether conditions are necessary to prevent adverse consequences which may result from the transfer.
13. The history of compliance or noncompliance of the proposed acquiring entity or principals or affiliates have had with regulatory authorities in this State or other jurisdictions.
14. Whether the acquiring entity, persons, or corporations have the financial ability to operate the public utility or common carrier system and maintain or upgrade the quality of the physical system.
15. Whether any repairs and/or improvements are required and the ability of acquiring entity to make those repairs and/or improvements.
16. The ability of the acquiring entity to obtain all necessary health, safety and other permits.
17. The manner of financing the transfer and any impact that may have on encumbering the assets of the entity and the potential impact on rates.
18. Whether there are any conditions which should be attached to the proposed acquisitions.

REC consultants will review the filing to determine if the proposed consolidation is consistent with the 18 criteria contained in the 1994 General Order. If necessary, REC's Consultants will also

LOUISIANA PUBLIC SERVICE COMMISSION
OUTSIDE CONSULTANT TO ASSIST STAFF WITH REVIEW OF THE APPLICATION REQUESTING
CONSOLIDATION OF ATMOS ENERGY CORPORATION'S LOUISIANA RATE DIVISIONS
RFP 19-02

prepare testimony which, after review and vetting by Staff, will be filed on behalf of Staff. REC's consultants will support and defend its filed testimony in any appearances as expert witnesses and will respond in a timely manner to any data requests filed by the utility or by other parties. Further, REC's consultants will assist Staff in developing cross-examination materials for the utility's witnesses and for the witnesses of intervening parties as necessary. REC's consultants will also assist Staff in preparing briefs, reply briefs, and proposed orders as required. REC's consultants are prepared to assist Staff in any settlement discussions and/or stipulation hearing and, if necessary, testify at the Commission's Business and Executive Session(s).

Estimated Timeline

REC submits the following estimated timeline to complete the work plan as described above, assuming the work will be completed along with the ongoing fuel adjustment clause audit:

| Activity | Description | Date |
|----------------------|---|--------------------------|
| 1 | Review Merger filing and supporting materials | May – June 2019 |
| 2 | Prepare data requests and review responses | June – July 2019 |
| 3 | Continue to review filing and supporting materials | July – August 2019 |
| 4 | Participate in status conferences with Company and/or Staff | July – August 2019 |
| 5 | Complete analysis and develop recommendations | September 2019 |
| 6 | Participate in settlement discussions | September 2019 |
| If Necessary: | | |
| 7 | Prepare and submit prefiled testimony, respond to data requests, and prepare for hearing | October – November 2019 |
| 8 | Appear at hearing. Assist Staff to develop cross-examination materials, prepare briefs, reply briefs and proposed Orders. | November – December 2019 |
| 9 | Participate in settlement discussions and/or stipulated hearing | January 2020 |
| 10 | Appear at B&E Session and testify if necessary | March 2020 |

D. PRIOR EXPERIENCE

REC has assisted the Louisiana Public Service Commission Staff in review of a number of utility dockets, including:

- Docket No. U-31971 *Joint Application of Entergy Louisiana, LLC for Approval to Construct Unit 6 at Ninemile Point Station and of Entergy Gulf States Louisiana, L.L.C. for Approval to Participate in a Related Contract for the Purchase of Capacity and Electric Energy, for Cost Recovery and Request for Timely Relief.*
- Docket No. U-33033 *Joint Application of Entergy Louisiana, LLC and Entergy Gulf States Louisiana, LLC for Certification of First Year Revenue Requirement Associated with Construction of Ninemile 6 and Related Purchase Power Agreement and Request for Timely Relief.*
- Undocketed *Entergy Service's Inc.'s 2014 Request for Proposals for Limited Term Capacity-Only Products.*
- Docket No. X-33322 *Audit of Southwestern Electric Power Company's charges flowed through its Fuel Adjustment Charge, Pursuant to Commission General Order U-21497 from the Period Beginning January 1, 2005 Through December 31, 2013 (2005-2013).*
- Docket No. U-33492 *Dixie Electric Membership Corporation's 2014 Formula Rate Plan Annual Filing Pursuant to Order No. U-33063-A.*
- Docket No. X-33577 *Investigation into the Ability of Southwestern Electric Power Company to Maintain Service During Severe Weather Events.*
- Docket No. U-33633 *Application of Entergy Louisiana, LLC for Review of the Management of the Construction of Ninemile 6, Pursuant to Order No. U-31971.*
- Docket No. U-33906 *Dixie Electric Membership Corporation's 2015 Formula Rate Plan Annual Filing Pursuant to Order No. U-33063-A.*
- Docket No. U-34199 *Southwestern Electric Power Company's 2014 Annual Formula Rate Plan Report*
- Docket No. U-34344 *Dixie Electric Membership Corporation's 2016 Formula Rate Plan Annual Filing.*
- Docket No. U-34675 *Southwestern Electric Power Company's 2015 Annual Formula Rate Plan Report*
- Docket No. U-34717 *Dixie Electric Membership Corporation's 2017 Formula Rate Plan Annual Filing.*
- Docket No. U-34806 *Southwestern Electric Power Company's 2017 Annual Formula Rate Plan Report*

LOUISIANA PUBLIC SERVICE COMMISSION
OUTSIDE CONSULTANT TO ASSIST STAFF WITH REVIEW OF THE APPLICATION REQUESTING
CONSOLIDATION OF ATMOS ENERGY CORPORATION'S LOUISIANA RATE DIVISIONS
RFP 19-02

Importantly, REC consultants are very familiar with Atmos Energy Corporation through participation in a number of Atmos rate proceedings before the Texas Railroad Commission as well through participation in many Atmos rate reviews at the municipal level. REC is also experienced in reviewing the impact of the consolidation of utility service areas as it has reviewed consolidation/merger filings made by Texas Gas Service and AEP Texas. Examples of these reviews include:

| | |
|------------------|---|
| Local | <i>Atmos Energy Corp., Mid Tex Division, Annual Rate Review Mechanism, 2008 - 2018</i> |
| Local | <i>Atmos Energy Corp., West Texas Division, Annual Rate Review Mechanism, 2008 - 2018</i> |
| Docket No. 10359 | <i>Petition for De Novo Review of the Denial of the Rate Review Mechanism Tariff filed by Atmos Energy Corp., Mid-Tex Division by the Cities of Abilene, Addison, Allen, et al.</i> |
| Docket No. 10174 | <i>Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., West Texas Division, and Consolidated Cases</i> |
| Docket No. 10170 | <i>Statement of Intent Filed by Atmos Energy Corporation to Change Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid Tex Division, and Consolidated Cases</i> |
| Docket No. 9762 | <i>Statement of Intent to Increase Rates filed by Atmos Energy Corp., Mid-Tex Division with the ACSC Cities</i> |
| Docket No. 10526 | <i>Statement of Intent of Texas Gas Service Company (TGS), a Division of One Gas, Inc., to Consolidate and Change Gas Utility Rates Within the Unincorporated Areas of the Central Texas Service Area (CTSA) and South Texas Service Area (STSA)</i> |
| Docket No. 10506 | <i>Statement of Intent of Texas Gas Service Company (TGS), a Division of One Gas, Inc., to Consolidate and Increase Gas Utility Rates Within the Unincorporated Areas of the El Paso Service Area (EPSA), Permian Service Area (PSA), and Dell City Service Area (DCSA)</i> |
| Docket No. 10488 | <i>Statement of Intent of Texas Gas Service Company, a Division of One Gas, Inc., to Consolidate and Increase Gas Utility Rates Within the Galveston Service Area (GSA) and South Jefferson County Service Area (SJCSA)</i> |
| Docket No. 46050 | <i>Application of AEP Texas Central Company, AEP Texas North Company, and AEP Utilities, Inc. for Approval of Merger</i> |

REC consultants also have a broad base of requisite experience working for electric utilities (including IOUs and public power), independent power generators and other market participants with a particular interest in the Texas and Louisiana markets. Our staff has direct experience in

LOUISIANA PUBLIC SERVICE COMMISSION
OUTSIDE CONSULTANT TO ASSIST STAFF WITH REVIEW OF THE APPLICATION REQUESTING
CONSOLIDATION OF ATMOS ENERGY CORPORATION'S LOUISIANA RATE DIVISIONS
RFP 19-02

Louisiana markets from both an employee and consultant perspective and understands the many challenges and unique features of the Louisiana market.

In evaluating the qualifications of firms offering to provide assistance to Staff in a retrospective analysis of whether SWEPCO's costs passed through to consumers via the FAC were prudently incurred, produce just and reasonable rates, and were properly included in the FAC, you will find that REC has a unique combination of talent and experience that sets us apart from other consulting firms. REC consultants have both utility operating and regulatory commission backgrounds. REC's professionals have performed numerous fuel costs reviews, resource planning and power supply procurement studies, revenue requirement analyses and rate design engagements involving critical analysis of the issues and preparation of testimony to support positions to address our client's needs and concerns. REC consultants are knowledgeable of accounting standards and electric utility practices including affiliate transactions; generation fuel supply requirements; purchased power requirements; fuel markets and contracting; and the development of base rates, fuel adjustment clauses and other such pricing mechanisms.

E. REFERENCES

Stone Pigman Walther Wittmann L.L.C.
Mr. Paul L. Zimmering, Esq.
546 Carondelet Street
New Orleans, Louisiana 70130
(504) 581-3200

Lloyd Gosselink Rochelle & Townsend, P.C.
Mr. Geoffrey M. Gay
816 Congress Avenue, Suite 1900
Austin, TX 78701
(512) 322-5875

The Lawton Law Firm
Mr. Dan Lawton
12600 Hill Country Blvd.
Suite R-275
Austin, TX 78738
(512) 322-0019

Herrera Law & Associates, PLLC
Mr. Alfred Herrera
816 Congress Ave., Suite 1120
Austin, TX 78701
(512) 474-1492

F. PERSONNEL

REC's project team is proposed to consist of three highly experienced consultants. Although we do not anticipate using other REC consultants during this engagement, additional REC personnel are available to provide additional assistance to this project, if necessary. Brief descriptions of each consultant who will participate in this project are provided below along with that consultant's role in this project. Resumes of each of these individuals are provided in the attachments to this proposal.

REC's project manager will be Karl Nalepa, an economist with more than 30 years of experience in the energy sector. In addition to his consulting experience, he has previously held positions with both the Public Utility Commission of Texas and the Railroad Commission of Texas. He has extensive experience analyzing utility rate filings and has prepared and defended expert testimony in both administrative and civil proceedings. As a Railroad Commission Assistant Director, he managed staff participation in all aspects of contested proceedings. Mr. Nalepa has experience in utility cost-of-service and resource planning for electric and natural gas distribution utilities as well as experience in the analysis of accounting and economic data for determination of revenue requirements. Mr. Nalepa regularly provides consulting assistance in utility matters relating to pricing and regulatory issues. He has provided expert testimony before various regulatory agencies. Mr. Nalepa has been project manager for REC for numerous engagements relating to pricing, cost-of-service, revenue requirements, regulatory issues and other matters. Mr. Nalepa's responsibilities in this engagement include coordination and control of REC's consulting efforts, evaluation of regulatory compliance, and support of other REC consulting personnel in all aspects of REC's work efforts. He will serve as principal contact at REC and will direct the activities of other REC consultants in this engagement.

Bill Starnes is a senior management consultant with REC, with over 25 years of broad based experience. His experience includes managerial work in strategic and operational planning, supply management, development and implementation of regulatory changes in restructured markets, regulatory compliance, contract negotiation, valuation of utility assets, gas transportation management and scheduling, administration, and rates. Mr. Starnes has extensive experience in the development of the policies and procedures to implement the Texas restructured electric market, development and maintenance of retail customer electric aggregation groups in the Texas electric markets, financial analysis and valuation of both physical and contractual assets in both the electric and gas markets, procurement of both electric and gas supplies for utilities end users, developing contract buy-down or buyout costs for contract negotiations and fuel price forecasting. Mr. Starnes has also managed or performed numerous valuations and due diligence reviews of both physical and contractual assets. In addition, Mr. Starnes has developed and implemented special marketing programs to sell underutilized contractual assets for both gas supplies and gas transportation.

Erin Cromleigh is an energy consultant with nine years of audit and utility regulatory experience. As a financial analyst with the Railroad Commission of Texas, she performed duties for gas utility hearings and legal support activities in the Market Oversight Section of the Oversight

and Safety Division. In this position, Ms. Cromleigh appeared as a staff expert witness in gas utility rate cases and served as an examiner on gas utility filings such as interim rate adjustments, sales transfers & mergers, and abandonment of service requests. She also contributed to the implementation of new legislative requirements for propane distribution companies. As an auditor with the Texas State Auditor's Office, Ms. Cromleigh conducted various financial, compliance, and performance audits for numerous State agencies including multiple audits of the Employees Retirement System of Texas. Each audit required her to obtain an understanding of the agency's policies, select samples and perform appropriate testing to obtain sufficient audit evidence and achieve the audit objectives.

G. STATEMENT OF POTENTIAL CONFLICTS OF INTEREST

The Consultants, ReSolved Energy Consulting and its team members, have no relationships between themselves and the companies under the jurisdiction of the Louisiana Public Service Commission, or with any subsidiaries or affiliates of such companies. To the best of our knowledge and belief, there are no real or potential conflicts of interest that exist between the Consultant and any utilities in Louisiana.

H. BUDGET ESTIMATES

| | <u>Hourly Rates:</u> | | <u>Total Budget Estimate:</u> |
|--------------------|----------------------|----------------------------|-------------------------------|
| Mr. Karl Nalepa | \$270/hr | Professional Fees: | \$40,500 |
| Mr. Bill Starnes | \$270/hr | <u>Total Other Costs:*</u> | <u>\$ 1,800</u> |
| Ms. Erin Cromleigh | \$180/hr | Total Fees and Costs: | \$42,300 |

* Travel, copies, postage

REC will only bill for actual hours of work performed and costs incurred. The proposed budget is based on REC's best estimate of the scope of the project as outlined in the RFP and REC will obtain approval of the Commission prior to any change in the budget. If the scope of the project changes as a result of actions outside the control of REC which result in an increase to the budget, the Commission must approve the change in budget prior to REC commencing work under the revised scope.

Note that the proposed budget does not include time for support activities which might continue after an Order is signed in these proceedings, such as rehearing on some or all issues, or appeals by any party to the proceedings. A budget for these activities will be developed in consultation with Commission Staff at that time.

I. AUTHORIZED SIGNATURE

RESOLVED ENERGY CONSULTING, LLC
11044 RESEARCH BLVD., SUITE A-420
AUSTIN, TEXAS 78759
PHONE: (512) 331-4949, EXT. 105

KARL J. NALEPA
PRESIDENT

J. APPENDIX - RESUMES

KARL J. NALEPA

Mr. Nalepa is an energy economist with more than 30 years of private and public sector experience in the electric and natural gas industries. He has extensive experience analyzing utility rate filings and resource plans with particular focus on fuel and power supply requirements, quality of fuel supply management, and reasonableness of energy costs. Mr. Nalepa developed peak demand and energy forecasts for municipal and electric cooperative utilities and has forecast the price of natural gas in ratemaking and resource plan evaluations. He led a management and performance review of the Texas Public Utility Commission, and has conducted performance reviews and valuation studies of a number of municipal utility systems. Mr. Nalepa previously directed the Railroad Commission of Texas' Regulatory Analysis & Policy Section, with responsibility for preparing timely natural gas industry analysis, managing ratemaking proceedings, mediating informal complaints, and overseeing consumer complaint resolution. He has prepared and defended expert testimony in both administrative and civil proceedings, and has served as a technical examiner in natural gas rate proceedings.

EDUCATION

- | | |
|------|---|
| 1998 | Certificate of Mediation Dispute Resolution Center, Austin |
| 1989 | NARUC Regulatory Studies Program Michigan State University |
| 1988 | M.S. - Petroleum Engineering University of Houston |
| 1980 | B.S. - Mineral Economics Pennsylvania State University |

PROFESSIONAL HISTORY

- | | |
|-------------|--|
| 2003 - | ReSolved Energy Consulting President and Managing Director |
| 1997 – 2003 | Railroad Commission of Texas Asst. Director, Regulatory Analysis & Policy |
| 1995 – 1997 | Karl J. Nalepa Consulting Principal |
| 1992 – 1995 | Resource Management International, Inc. Supervising Consultant |
| 1988 – 1992 | Public Utility Commission of Texas Fuels Analyst |
| 1980 – 1988 | Transco Exploration Company Reservoir and Evaluation Engineer |

AREAS OF EXPERTISE

Regulatory Analysis

Electric Power: Analyzed electric utility rate, certification, and resource forecast filings. Assessed the quality of fuel supply management, and reasonableness of fuel costs recovered from ratepayers. Projected the cost of fuel and purchased power. Estimated the impact of environmental costs on utility resource selection. Participated in regulatory rulemaking activities. Provided expert staff testimony in a number of proceedings before the Texas Public Utility Commission.

As consultant, represent interests of municipal clients intervening in large utility rate proceedings through analysis of filings and presentation of testimony before the Public Utility Commission. Also assist municipal utilities in preparing and defending requests to change rates and other regulatory matters before the Public Utility Commission.

Natural Gas: Directed the economic regulation of gas utilities in Texas for the Railroad Commission of Texas. Responsible for monitoring, analyzing and reporting on conditions and events in the natural gas industry. Managed Commission staff representing the public interest in contested rate proceedings before the Railroad Commission, and acted as technical examiner on behalf of the Commission. Mediated informal disputes between industry participants and directed handling of customer billing and service complaints. Oversaw utility compliance filings and staff rulemaking initiatives. Served as a policy advisor to the Commissioners.

As consultant, represent interests of municipal clients intervening in large utility rate proceedings through analysis of filings and presentation of testimony before the cities and Railroad Commission. Also assist small utilities in preparing and defending requests to change rates and other regulatory matters before the Railroad Commission.

Litigation Support

Retained to support litigation in natural gas contract disputes. Analyzed the results of contract negotiations and competitiveness of gas supply proposals considering gas market conditions contemporaneous with the period reviewed. Supported litigation related to alleged price discrimination related to natural gas sales for regulated customers. Provided analysis of regulatory and accounting issues related to ownership of certain natural gas distribution assets in support of litigation against a natural gas utility. Supported independent power supplier in binding arbitration regarding proper interpretation of a natural gas transportation contract. Provided expert witness testimony in administrative and civil court proceedings.

Utility System Assessment

Led a management and performance review of the Public Utility Commission. Conducted performance reviews and valuation studies of municipal utility systems. Assessed ability to compete in the marketplace, and recommended specific actions to improve the competitive position of the utilities. Provided

comprehensive support in the potential sale of a municipal gas system, including preparation of a valuation study and all activities leading to negotiation of contract for sale and franchise agreements.

Energy Supply Analysis

Reviewed system requirements and prepared requests for proposals (RFPs) to obtain natural gas and power supplies for both utility and non-utility clients. Evaluated submittals under alternative demand and market conditions, and recommended cost-effective supply proposals. Assessed supply strategies to determine optimum mix of available resources.

Econometric Forecasting

Prepared econometric forecasts of peak demand and energy for municipal and electric cooperative utilities in support of system planning activities. Developed forecasts at the rate class and substation levels. Projected price of natural gas by individual supplier for Texas electric and natural gas utilities to support review of utility resource plans.

Reservoir Engineering

Managed certain reserves for a petroleum exploration and production company in Texas. Responsible for field surveillance of producing oil and natural gas properties, including reserve estimation, production forecasting, regulatory reporting, and performance optimization. Performed evaluations of oil and natural gas exploration prospects in Texas and Louisiana.

PROFESSIONAL MEMBERSHIPS

Society of Petroleum Engineers
International Association for Energy Economics

SELECT PUBLICATIONS, PRESENTATIONS, AND TESTIMONY

- “Public Utility Ratemaking,” EBF 401: Strategic Corporate Finance, The Pennsylvania State University, September 2013
- “What You Should Know About Public Utilities,” EBF 401: Strategic Corporate Finance, The Pennsylvania State University, October 2011
- “Natural Gas Markets and the Impact on Electricity Prices in ERCOT,” Texas Coalition of Cities for Fair Utility Issues, Dallas, October 2008
- “Natural Gas Regulatory Policy in Texas,” Hungarian Oil and Gas Policy Business Colloquium, U.S. Trade and Development Agency, Houston, May 2003
- “Railroad Commission Update,” Texas Society of Certified Public Accountants, Austin, April 2003
- “Gas Utility Update,” Railroad Commission Regulatory Expo and Open House, October 2002
- “Deregulation: A Work in Progress,” Interview by Karen Stidger, *Gas Utility Manager*, October 2002
- “Regulatory Overview: An Industry Perspective,” Southern Gas Association’s Ratemaking Process Seminar, Houston, February 2001
- “Natural Gas Prices Could Get Squeezed,” with Commissioner Charles R. Matthews, *Natural Gas*, December 2000
- “Railroad Commission Update,” Texas Society of Certified Public Accountants, Austin, April 2000
- “A New Approach to Electronic Tariff Access,” Association of Texas Intrastate Natural Gas Pipeline Annual Meeting, Houston, January 1999
- “A Texas Natural Gas Model,” United States Association for Energy Economics North American Conference, Albuquerque, 1998
- “Texas Railroad Commission Aiding Gas Industry by Updated Systems, Regulations,” *Natural Gas*, July 1998
- “Current Trends in Texas Natural Gas Regulation,” Natural Gas Producers Association, Midland, 1998
- “An Overview of the American Petroleum Industry,” Institute of International Education Training Program, Austin, 1993
- Direct testimony in PUC Docket No. 10400 summarized in *Environmental Externality*, Energy Research Group for the Edison Electric Institute, 1992
- “God’s Fuel - Natural Gas Exploration, Production, Transportation and Regulation,” with Danny Bivens, Public Utility Commission of Texas Staff Seminar, 1992
- “A Summary of Utilities’ Positions Regarding the Clean Air Act Amendments of 1990,” Industrial Energy Technology Conference, Houston, 1992
- “The Clean Air Act Amendments of 1990,” Public Utility Commission of Texas Staff Seminar, 1992

**KARL J. NALEPA
TESTIMONY FILED**

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|--|-------------|---------------------------|-----------------------------|-----------------|-----------------------------|
| <u>Before the Public Utility Commission of Texas</u> | | | | | |
| 49041 | Feb 19 | Cities | SWEPCO | DCRF | DCRF Methodology |
| 48963 | Dec 18 | Denton Municipal Electric | Denton Municipal Electric | Interim TCOS | Wholesale Transmission Rate |
| 48420 | Aug 18 | Gulf Coast Coalition | CenterPoint Energy Houston | EECRF | EECRF Methodology |
| 48404 | Jul 18 | Cities | Texas-New Mexico Power | EECRF | EECRF Methodology |
| 48371 | Aug 18 | Cities | Entergy Texas Inc. | Cost of Service | Cost of Service |
| 48231 | May 18 | Cities | Oncor Electric Delivery | DCRF | DCRF Methodology |
| 48226 | May 18 | Gulf Coast Coalition | CenterPoint Energy Houston | DCRF | DCRF Methodology |
| 48222 | Apr 18 | Cities | AEP Texas Inc. | DCRF | DCRF Methodology |
| 47900 | Dec 17 | Denton Municipal Electric | Denton Municipal Electric | Interim TCOS | Wholesale Transmission Rate |
| 47527 | Apr 18 | Cities | Southwestern Public Service | Cost of Service | Cost of Service |
| 47461 | Dec 17 | Office of Public Counsel | SWEPCO | CCN | Public Interest Review |
| 47236 | Jul 17 | Cities | AEP Texas | EECRF | EECRF Methodology |
| 47235 | Jul 17 | Cities | Oncor Electric Delivery | EECRF | EECRF Methodology |
| 47217 | Jul 17 | Cities | Texas-New Mexico Power | EECRF | EECRF Methodology |
| 47032 | May 17 | Gulf Coast Coalition | CenterPoint Energy Houston | DCRF | DCRF Methodology |
| 46936 | Oct 17 | Cities | Southwestern Public Service | CCN | Public Interest Review |
| 46449 | Apr 17 | Cities | SWEPCO | Cost of Service | Cost of Service |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|----------------|-------------|---------------------------|-----------------------------|-------------------------|-----------------------------|
| 46348 | Sep 16 | Denton Municipal Electric | Denton Municipal Electric | Interim TCOS | Wholesale Transmission Rate |
| 46238 | Jan 17 | Office of Public Counsel | Oncor Electric Delivery | STM | Public Interest Review |
| 46076 | Dec 16 | Cities | Entergy Texas Inc. | Fuel Reconciliation | Fuel Cost |
| 46050 | Aug 16 | Cities | AEP Texas | STM | Public Interest Review |
| 46014 | Jul 16 | Gulf Coast Coalition | CenterPoint Energy Houston | EECRF | EECRF Methodology |
| 45788 | May 16 | Cities | AEP-TNC | DCRF | DCRF Methodology |
| 45787 | May 16 | Cities | AEP-TCC | DCRF | DCRF Methodology |
| 45747 | May 16 | Gulf Coast Coalition | CenterPoint Energy Houston | DCRF | DCRF Methodology |
| 45712 | Apr 16 | Cities | SWEPCO | DCRF | DCRF Methodology |
| 45691 | Jun 16 | Cities | SWEPCO | TCRF | TCRF Methodology |
| 45414 | Feb 17 | Office of Public Counsel | Sharyland | Cost of Service | Cost of Service |
| 45248 | May 16 | City of Fritch | City of Fritch | Cost of Service (water) | Cost of Service |
| 45084 | Nov 15 | Cities | Entergy Texas Inc. | TCRF | TCRF Methodology |
| 45083 | Oct 15 | Cities | Entergy Texas Inc. | DCRF | DCRF Methodology |
| 45071 | Aug 15 | Denton Municipal Electric | Denton Municipal Electric | Interim TCOS | Wholesale Transmission Rate |
| 44941 | Dec 15 | City of El Paso | El Paso Electric | Cost of Service | CEP Adjustments |
| 44677 | Jul 15 | City of El Paso | El Paso Electric | EECRF | EECRF Methodology |
| 44572 | May 15 | Gulf Coast Coalition | CenterPoint Energy Houston | DCRF | DCRF Methodology |
| 44060 | May 15 | City of Frisco | Brazos Electric Coop | CCN | Transmission Cost Recovery |
| 43695 | May 15 | Pioneer Natural Resources | Southwestern Public Service | Cost of Service | Cost Allocation |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|----------------|-------------|---------------------------|---------------------------|---|--|
| 43111 | Oct 14 | Cities | Entergy Texas Inc. | DCRF | DCRF Methodology |
| 42770 | Aug 14 | Denton Municipal Electric | Denton Municipal Electric | Interim TCOS | Wholesale Transmission Rate |
| 42485 | Jul 14 | Cities | Entergy Texas Inc. | EECRF | EECRF Methodology |
| 42449 | Jul 14 | City of El Paso | El Paso Electric | EECRF | EECRF Methodology |
| 42448 | Jul 14 | Cities | SWEPCO | TCRF | Transmission Cost Recovery Factor |
| 42370 | Dec 14 | Cities | SWEPCO | Rate Case Expenses | Rate Case Expenses |
| 41791 | Jan 14 | Cities | Entergy Texas Inc. | Cost of Service | Cost of Service/Fuel |
| 41539 | Jul 13 | Cities | AEP Texas North | EECRF | EECRF Methodology |
| 41538 | Jul 13 | Cities | AEP Texas Central | EECRF | EECRF Methodology |
| 41444 | Jul 13 | Cities | Entergy Texas Inc. | EECRF | EECRF Methodology |
| 41223 | Apr 13 | Cities | Entergy Texas Inc. | ITC Transfer | Public Interest Review |
| 40627 | Nov 12 | Austin Energy | Austin Energy | Cost of Service | General Fund Transfers |
| 40443 | Dec 12 | Office of Public Counsel | SWEPCO | Cost of Service | Cost of Service/Fuel |
| 40346 | Jul 12 | Cities | Entergy Texas Inc. | Join MISO | Public Interest Review |
| 39896 | Mar 12 | Cities | Entergy Texas Inc. | Cost of Service/ Fuel Reconciliation | Cost of Service/ Nat Gas/ Purch Power |
| 39366 | Jul 11 | Cities | Entergy Texas Inc. | EECRF | EECRF Methodology |
| 38951 | Feb 12 | Cities | Entergy Texas Inc. | CGS Tariff | CGS Costs |
| 38815 | Sep 10 | Denton Municipal Electric | Denton Municipal Electric | Interim TCOS | Wholesale Transmission Rate |
| 38480 | Nov 10 | Cities | Texas-New Mexico Power | Cost of Service | Cost of Service/Rate Design |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|----------------|-------------|---------------------------|-------------------------|--|---|
| 37744 | Jun 10 | Cities | Entergy Texas Inc. | Cost of Service/ Fuel Reconciliation | Cost of Service/ Nat Gas/ Purch Power/ Gen |
| 37580 | Dec 09 | Cities | Entergy Texas Inc. | Fuel Refund | Fuel Refund Methodology |
| 36956 | Jul 09 | Cities | Entergy Texas Inc. | EECRF | EECRF Methodology |
| 36392 | Nov 08 | Texas Municipal Power | Texas Municipal Power | Interim TCOS | Wholesale Transmission Rate |
| 35717 | Nov 08 | Cities Steering Committee | Oncor Electric Delivery | Cost of Service | Cost of Service/Rate Design |
| 34800 | Apr 08 | Cities | Entergy Gulf States | Fuel Reconciliation | Natural Gas/Coal/Nuclear |
| 16705 | May 97 | North Star Steel | Entergy Gulf States | Fuel Reconciliation | Natural Gas/Fuel Oil |
| 10694 | Jan 92 | PUC Staff | Midwest Electric Coop | Revenue Requirements | Depreciation/ Quality of Service |
| 10473 | Sep 91 | PUC Staff | HL&P | Notice of Intent | Environmental Costs |
| 10400 | Aug 91 | PUC Staff | TU Electric | Notice of Intent | Environmental Costs |
| 10092 | Mar 91 | PUC Staff | HL&P | Fuel Reconciliation | Natural Gas/Fuel Oil |
| 10035 | Jun 91 | PUC Staff | West Texas Utilities | Fuel Reconciliation Fuel Factor | Natural Gas Natural Gas/Fuel Oil/Coal |
| 9850 | Feb 91 | PUC Staff | HL&P | Revenue Req. Fuel Factor | Natural Gas/Fuel Oil/ETSI Natural Gas/Coal/Lignite |
| 9561 | Aug 90 | PUC Staff | Central Power & Light | Fuel Reconciliation Revenue Requirements Fuel Factor | Natural Gas Natural Gas/Fuel Oil Natural Gas |
| 9427 | Jul 90 | PUC Staff | LCRA | Fuel Factor | Natural Gas |
| 9165 | Feb 90 | PUC Staff | El Paso Electric | Revenue Requirements Fuel Factor | Natural Gas/Fuel Oil Natural Gas |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|----------------|------------------|---------------------|-----------------------|--|--|
| 8900 | Jan 90 | PUC Staff | SWEPCO | Fuel Reconciliation Fuel Factor | Natural Gas Natural Gas |
| 8702 | Sep 89 Jul 89 | PUC Staff | Gulf States Utilities | Fuel Reconciliation Revenue Requirements Fuel Factor | Natural Gas/Fuel Oil Natural Gas/Fuel Oil Natural Gas/Fuel Oil |
| 8646 | May 89 Jun 89 | PUC Staff | Central Power & Light | Fuel Reconciliation Revenue Requirements Fuel Factor | Natural Gas Natural Gas/Fuel Oil Natural Gas |
| 8588 | Aug 89 | PUC Staff | El Paso Electric | Fuel Reconciliation | Natural Gas |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|--|-------------|------------------------------|--------------------------|-----------------|-----------------------------------|
| <u>Before the Railroad Commission of Texas</u> | | | | | |
| 10737 | Jun 18 | T&L Gas Co. | T&L Gas Co. | Cost of Service | Cost of Service/Rate Design |
| 10622 | Apr 17 | LDC, LLC | LDC, LLC | Cost of Service | Cost of Service/Rate Design |
| 10617 | Mar 17 | Onalaska Water & Gas | Onalaska Water & Gas | Cost of Service | Cost of Service/Rate Design |
| 10580 | Mar 17 | Cities Steering Committee | Atmos Pipeline Texas | Cost of Service | Cost of Service/Rate Design |
| 10567 | Feb 17 | Gulf Coast Coalition | CenterPoint Energy Entex | Cost of Service | Cost of Service/Rate Design |
| 10506 | Jun 16 | City of El Paso | Texas Gas Service | Cost of Service | Cost of Service/Energy Efficiency |
| 10498 | Feb 16 | NatGas, Inc. | NatGas, Inc. | Cost of Service | Cost of Service/Rate Design |
| 10359 | Jul 14 | Cities Steering Committee | Atmos Energy Mid Tex | Cost of Service | Cost of Service/Rate Design |
| 10295 | Oct 13 | Cities Steering Committee | Atmos Pipeline Texas | Revenue Rider | Rider Renewal |
| 10242 | Jan 13 | Onalaska Water & Gas | Onalaska Water & Gas | Cost of Service | Cost of Service/Rate Design |
| 10196 | Jul 12 | Bluebonnet Natural Gas | Bluebonnet Natural Gas | Cost of Service | Cost of Service/Rate Design |
| 10190 | Jan 13 | City of Magnolia, Texas | Hughes Natural Gas | Cost of Service | Cost of Service/Rate Design |
| 10174 | Aug 12 | Steering Committee of Cities | Atmos Energy West Texas | Cost of Service | Cost of Service/Rate Design |
| 10170 | Aug 12 | Cities Steering Committee | Atmos Energy Mid Tex | Cost of Service | Cost of Service/Rate Design |
| 10106 | Oct 11 | Gulf Coast Coalition | CenterPoint Energy Entex | Cost of Service | Cost of Service/Rate Design |
| 10083 | Aug 11 | City of Magnolia, Texas | Hughes Natural Gas | Cost of Service | Cost of Service/Rate Design |
| 10038 | Feb 11 | Gulf Coast Coalition | CenterPoint Energy Entex | Cost of Service | Cost of Service/Rate Design |
| 10021 | Oct 10 | AgriTex Gas, Inc. | AgriTex Gas, Inc. | Cost of Service | Cost of Service/Rate Design |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|----------------|-------------|---------------------------|---------------------------|-----------------|---|
| 10000 | Dec 10 | Cities Steering Committee | Atmos Pipeline Texas | Cost of Service | Cost of Service/Rate Design |
| 9902 | Oct 09 | Gulf Coast Coalition | CenterPoint Energy Entex | Cost of Service | Cost of Service/Rate Design |
| 9810 | Jul 08 | Bluebonnet Natural Gas | Bluebonnet Natural Gas | Cost of Service | Cost of Service/Rate Design |
| 9797 | Apr 08 | Universal Natural Gas | Universal Natural Gas | Cost of Service | Cost of Service/Rate Design |
| 9732 | Jul 08 | Cities Steering Committee | Atmos Energy Corp. | Gas Cost Review | Natural Gas Costs |
| 9670 | Oct 06 | Cities Steering Committee | Atmos Energy Corp. | Cost of Service | Affiliate Transactions/ O&M Expenses/GRIP |
| 9667 | Nov 06 | Oneok Westex Transmission | Oneok Westex Transmission | Abandonment | Abandonment |
| 9598 | Sep 05 | Cities Steering Committee | Atmos Energy Corp. | GRIP Appeal | GRIP Calculation |
| 9530 | Apr 05 | Cities Steering Committee | Atmos Energy Corp. | Gas Cost Review | Natural Gas Costs |
| 9400 | Dec 03 | Cities Steering Committee | TXU Gas Company | Cost of Service | Affiliate Transactions/ O&M Expenses/Capital Costs |

| DKT NO. | DATE | REPRESENTING | UTILITY | PHASE | ISSUES |
|---|-------------|---------------------|---|------------------------|-----------------------------|
| <u>Before the Louisiana Public Service Commission</u> | | | | | |
| U-34344/ U-34717 | Apr 18 | PSC Staff | Dixie Electric Member Corporation | Formula Rate Plan | Stipulation |
| U-34344 | Jan 18 | PSC Staff | Dixie Electric Member Corporation | Formula Rate Plan | Adjusted Revenues |
| U-33633 | Nov 15 | PSC Staff | Entergy Louisiana, LLC/ Entergy Gulf States Louisiana | Resource Certification | Prudence |
| U-33033 | Jul 14 | PSC Staff | Entergy Louisiana, LLC/ Entergy Gulf States Louisiana | Resource Certification | Revenue Requirement |
| U-31971 | Nov 11 | PSC Staff | Entergy Louisiana, LLC/ Entergy Gulf States Louisiana | Resource Certification | Certification/Cost Recovery |
| <u>Before the Arkansas Public Service Commission</u> | | | | | |
| O7-105-U | Mar 08 | Arkansas Customers | CenterPoint Energy, Inc. & pipelines serving CenterPoint | Gas Cost Complaint | Prudence / Cost Recovery |

Representative Project Experience

Since 2001 have served as lead consultant and project manager for two power aggregation groups in Texas, consisting of over 160 Texas cities and political subdivisions. Duties include supply procurement including issuance of RFPs for power supplies and negotiation of power supply agreements for both aggregation groups, provide technical assistance for electric issues, represent clients at ERCOT and the Texas PUC, assist individual members with electric problems, and provide new and innovative approaches for saving members money via innovative procurement and contracting. Developed and implemented one of the first arrangements in Texas deregulated market where customer separately procures power and REP services from two separate providers.

As lead consultant, worked as a technical support person for attorneys and other personnel seeking legislative initiatives at the Texas legislature. Helped in the development of proposed legislation and worked with legislators and staffs to explain and define purpose and benefits of proposed legislation. Attend hearings and committee meetings as necessary, and testify both orally and in written format as appropriate at committee meetings.

As lead consultant, represented numerous utilities in ERCOT and Texas PUC committees and workshops supporting implementation of Texas' deregulation efforts. Was active in numerous stakeholder groups representing municipal utility client interests. Primary emphasis was in settlements and billings, customer registration, reliability must run generators, ancillary services, operations and intra-zonal congestion.

As project manager and lead consultant, assist and provide technical support for energy procurement to a Texas based college.

As project manager and lead consultant, assist and provide technical support for energy procurement to a Texas based hospital.

As lead consultant, performed financial analysis and negotiated provisions of the sale of generation assets by a Texas municipal electric utility and a related multi-year transitional power agreement.

As lead consultant, performed valuations, appraisals, due diligence reviews, and strategic assessments of over \$8 billion of electric, gas, and water utility assets (Various projects and presentations to senior management and Board of Directors).

As lead consultant, provided analysis of gas pipelines, storage fields, supply options, pricing variables, and strategic gas procurement practices for various potential generation sites in Texas and Louisiana for an independent power producer considering multiple siting options for development generation assets.

Provided analysis and testimony on gas procurement issues for customers of a Texas electric utility.

Worked with a major joint action agency in the Midwest U.S. to evaluate a prospective merger proposal with a large public power company.

Developed gas supply price forecasts for a Texas municipal electric utility.

Developed risk management strategies for procurement of gas supplies for generation for a Texas electric cooperative which was experiencing high natural gas procurement costs. Presentation of results to the Board of Directors.

As project manager, assisted municipal electric utility in developing a gas price forecast for use in forecasting the impact of gas fired generation in the cost of energy for the utility. Used industry available forecasts, recent trends in gas prices, and historic purchase data from the City to forecast gas prices for the upcoming fiscal year.

As consultant, assist a major municipal gas utility in Texas with evaluation of responses to and RFP for gas supplies.

As project manager and lead consultant, provide financial review of proposed energy swap arrangement for a Texas municipal electric utility.

As project manager and lead consultant, managed review of proposed streetlight rates for a major Texas transmission and distribution utility and filed testimony supporting adjustments to proposed rates.

As consultant, assist in development of valuation assessment of major Texas transmission and distribution utility for use by client for potential purchase offer.

As lead consultant, developed gas supply cost forecast for both generation and end use load at a major Texas university for near term fiscal years. Results of gas cost forecasting were to be utilized in determining fiscal year budgets, which were to be submitted to the state legislature for approval and funding. Results were submitted to client and used in applicable fiscal year budget requests.

As consultant for a Texas city utility board, developed preliminary valuation of an investor owned gas distribution system used to serve the city to aid in determination of the feasibility of municipalizing the system. Valuation analyses were developed using cost, income, and market comparison approaches. The impact of a recently announced merger agreement between the parent company of the investor owned gas utility and a large investor owned electric utility was factored into the analysis. Performed preliminary research on possible approaches for the city to use if they were to attempt to municipalize the gas system. Identified additional information which would need to be analyzed should the city pursue acquisition of the system as well as ancillary issues which would need to be reviewed and quantified in a detailed valuation analysis. Based on the results of the study, the client decided to further study pursuing an acquisition strategy of the gas utility.

As consultant for a municipal utility in North Texas, reviewed and summarized gas supply and transportation contracts for electric generation to determine fixed contract charges which would be recoverable as stranded costs under the Texas Public Utility Commission's electric deregulation initiatives. Final analysis resulting in identification of a minimal level of stranded cost for each municipal utility.

As lead consultant, developed and issued a gas supplies Request For Proposal (RFP) for a municipal gas system in Louisiana. Included in the scope of work was, developing the RFP, creating a bidders list and issuing the RFP, receiving and valuating responses to determine which party offered the greatest gas cost savings while also insuring reliability of supplies, and presenting the final report to the city utility board. Final contract resulted in significant gas cost savings to the city utility.

As Project Manager, evaluated RFP responses for gas supplies to fuel boilers for a major northeastern New York housing authority. Gas costs, transportation, and gas management issues were all evaluated to determine the most reliable and cost efficient supplies to the end user. Also, alerted end user of major gas issues to consider in awarding the ultimate contract.

As lead consultant, worked with a major Texas university to develop an RFP for gas supplies which provided options for the university to fix the price of gas supplies for a portion of the contract. Evaluated RFP responses, ranked responses and worked with the proposing company on development of a gas supply agreement.

Reviewed *proforma* contract and advised a South Texas municipal electric client in contract negotiation strategies and issues for gas supplies to fuel generation. Major areas of concern in the existing contract were gas pricing, firmness of supplies, incremental facilities costs to serve increased load, and reimbursement for supply interruptions.

As consultant, assisted a major Ohio electric utility in the negotiation of a contract for a gas supply manager to procure and manage gas supplies and necessary transportation to serve a generation plant. Negotiations resulted in substantial savings for the client.

As lead consultant, worked with a large municipal electric utility in Texas for identification of potential public power partners and development of strategic partnering opportunities. Worked with utility staff to review assets of potential partnering candidates and how these assets could be combined with client assets to create synergies which could improve operations and reduce costs. Arranged and facilitated meetings with representatives of potential partners.

As lead consultant, worked with a Texas municipal utility in the forecasting of future power supply costs. Developed hourly load models, forecasted gas prices, and applied these prices to determine the cost of gas fired generation. Combined this analysis with forecasted cost of power from non-gas fired sources to arrive at a forecasted cost of power for the utility.

Represented a transmission dependent municipal utility in Texas during PUC sponsored workshops for the restructuring of ERCOT and development of the ERCOT Independent System Operator. Developed and presented proposal for financing operations of the ISO.

Participated in the analysis, due diligence, and strategic assessments of electric utility assets for sale or disposition. Developed economic analysis related to the sale for the seller and assisted in drafting of associated purchased power agreement.

TESTIMONY FILED

| Docket | Agency | Client | Utility | Issue |
|---------|---------------|---|-------------------------|---|
| U-31971 | Louisiana PSC | LPSC | Entergy | Resource Certification |
| 31450 | Texas PUC | Denton Municipal Electric | N/A | Nodal Market Protocols and Implementation |
| 28840 | Texas PUC | Cities Served by AEP Central Co. | AEP Central Co. | Rate Case - Street Lighting adjustments |
| 26000 | Texas PUC | Cities of Abilene, Ballinger, Cisco, San Angelo, and Vernon | West Texas Utilities | Fuel Cost Reconciliation – Gas Costs |
| 23477 | Texas PUC | Cities of Abilene, San Angelo, and Vernon | West Texas Utilities | Fuel Cost Reconciliation – Gas Costs |
| 20290 | Texas PUC | CPL Cities | Central Power and Light | Fuel Cost Reconciliation – Coal Inventory |

HONORS AND FELLOWSHIPS

John M. Olin Foundation Fellow, 1981

Washington Center for Learning Alternative Graduate Fellow, 1981

PRESENTATIONS

Texas Gas Association, Gas Pricing and Futures, May 1996, Austin, TX

KEMA Energy Conference, 2008

ERIN CROMLEIGH

Erin Cromleigh is an energy consultant with nine years of audit and utility regulatory experience. As a financial analyst with the Railroad Commission of Texas, she performed duties for gas utility hearings and legal support activities in the Market Oversight Section of the Oversight and Safety Division. In this position, Ms. Cromleigh appeared as a staff expert witness in gas utility rate cases and served as an examiner on gas utility filings such as interim rate adjustments, sales transfers & mergers, and abandonment of service requests. She also contributed to the implementation of new legislative requirements for propane distribution companies. As an auditor with the Texas State Auditor's Office, Ms. Cromleigh conducted various financial, compliance, and performance audits for numerous State agencies including multiple audits of the Employees Retirement System of Texas. Each audit required her to obtain an understanding of the agency's policies, select samples and perform appropriate testing to obtain sufficient audit evidence and achieve the audit objectives.

EDUCATION

- 2015 NARUC Regulatory Studies Program
 Michigan State University
- 2013 AGA Basic Rates School
 University of Chicago
- 2013 Certificate of Mediation
 Dispute Resolution Center, Austin
- 2007 B.B.A., Accounting
 Texas State University, San Marcos

PROFESSIONAL HISTORY

- 2016- ReSolved Energy Consulting
 Energy Consultant
- 2013-2016 Railroad Commission of Texas
 Financial Analyst
- 2008-2013 Texas State Auditor's Office
 Auditor