

**BEFORE THE STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**In the Matter of The Verified Petition of Jersey
Central Power & Light Company (“JCP&L”)
and Mid-Atlantic Interstate Transmission, LLC
 (“MAIT”) for: (1) Approval of the Transfer of
JCP&L’s Transmission Assets to MAIT
Pursuant to N.J.S.A. 48:3-7; (2) Approval of a
Lease of JCP&L’s Real Property and Real
Property Rights Associated with its
Transmission Assets to MAIT Pursuant to
N.J.S.A. 48:3-7; (3) Approval of a Mutual
Assistance Agreement Pursuant to N.J.S.A. 48:3-7;
and (4) a Declaration that MAIT Will be
Deemed a Public Utility for, *inter alia*, the
Purposes of Siting Authority under N.J.S.A.
40:55D-1 9 and Eminent Domain Authority
Pursuant to N.J.S.A. 48:3-17.6 et seq.**

and

**In the Matter of the Verified Petition of Jersey
Central Power & Light Company for
Authorization Pursuant to N.J.S.A. 48:3-7.2 for
Approval to Participate in the FirstEnergy Corp.
Intrasystem Money Pool – Amendment No. 8**

**BPU DOCKET NOS. EM15060733 and
EF02030185**

**DIRECT TESTIMONY OF
MATTHEW I. KAHAL
ON BEHALF OF THE
DIVISION OF RATE COUNSEL**

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1 **I. QUALIFICATIONS**

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Matthew I. Kahal. I am employed as an independent consultant retained
4 in this matter by the Division of Rate Counsel (“Rate Counsel”). My business address
5 is 1108 Pheasant Xing, Charlottesville, Virginia 22901.

6 Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.

7 A. I hold B.A. and M.A. degrees in economics from the University of Maryland and
8 have completed course work and examination requirements for the Ph.D. degree in
9 economics. My areas of academic concentration included industrial organization,
10 economic development and econometrics.

11 Q. WHAT IS YOUR PROFESSIONAL BACKGROUND?

12 A. I have been employed in the area of energy, utility and telecommunications
13 consulting for the past 35 years working on a wide range of topics. Most of my work
14 has focused on electric utility integrated planning, plant licensing, environmental
15 issues, mergers and financial issues. I was a co-founder of Exeter Associates, and
16 from 1981 to 2001 I was employed at Exeter Associates as a Senior Economist and
17 Principal. During that time, I took the lead role at Exeter in performing cost of capital
18 and financial studies. In recent years, the focus of much of my professional work has
19 shifted to electric utility markets, power procurement and industry restructuring.

20 Prior to entering consulting, I served on the Economics Department faculties
21 at the University of Maryland (College Park) and Montgomery College teaching
22 courses on economic principles, development economics and business.

23 A complete description of my professional background is provided in
24 Appendix A.

1 Q. HAVE YOU PREVIOUSLY TESTIFIED AS AN EXPERT WITNESS
2 BEFORE UTILITY REGULATORY COMMISSIONS?

3 A. Yes. I have testified before approximately two-dozen state and federal utility
4 commissions, federal courts and the U.S. Congress in more than 400 separate
5 regulatory cases. My testimony has addressed a variety of subjects including fair rate
6 of return, resource planning, financial assessments, load forecasting, competitive
7 restructuring, rate design, purchased power contracts, merger economics and other
8 regulatory policy issues. These cases have involved electric, gas, water and telephone
9 utilities. A list of these cases is set forth in Appendix A, with my statement of
10 qualifications.

11 Q. WHAT PROFESSIONAL ACTIVITIES HAVE YOU ENGAGED IN SINCE
12 LEAVING EXETER AS A PRINCIPAL IN 2001?

13 A. Since 2001, I have worked on a variety of consulting assignments pertaining to
14 electric restructuring, purchase power contracts, environmental controls, cost of
15 capital and other regulatory issues. Current and recent clients include the U.S.
16 Department of Justice, U.S. Air Force, U.S. Department of Energy, the Federal
17 Energy Regulatory Commission, Connecticut Attorney General, Pennsylvania Office
18 of Consumer Advocate, New Jersey Division of Rate Counsel, Rhode Island Division
19 of Public Utilities, the New Hampshire Consumer Advocate, Louisiana Public
20 Service Commission, Arkansas Public Service Commission, the Maryland Public
21 Service Commission, the Maine Public Advocate, Maryland Department of Natural
22 Resources, the Maryland Energy Administration and the Ohio Consumers Counsel.

23 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NEW JERSEY
24 BOARD OF PUBLIC UTILITIES?

1 A. Yes. I have testified on cost of capital and other matters before the Board of Public
2 Utilities (Board or BPU) in gas, water and electric cases during the past 25 years.
3 A listing of those cases is provided in my attached Statement of Qualifications. This
4 includes the submission of testimony on rate of return issues in the recent electric and
5 gas service rate cases of New Jersey Natural Gas Company (BPU Docket No.
6 GR07110889), Elizabethtown Gas (BPU Docket No. GR09030195) and Public
7 Service Electric and Gas Company (BPU Docket Nos. GR05100845 and
8 GR09050422), and United Water New Jersey, Inc. (BPU Docket No. WR09120987).
9 I participated in the previous Atlantic City Electric Company rate cases on a rate of
10 return issues, including submitting testimony in BPU Docket Nos. ER09080664 and
11 ER11080469. In all of these cases, my testimony and other work was on behalf of
12 Rate Counsel .

13 Q. ARE YOU FAMILIAR WITH JERSEY CENTRAL POWER & LIGHT
14 COMPANY (“JCP&L” OR “COMPANY”)?

15 A. Yes. I have participated in various cases before this Board involving JCP&L,
16 including its most recent base rate case. Other past cases have involved JCP&L’s
17 restructuring/stranded cost case and cases concerning securities issuances and reviews
18 of purchase capacity contracts. In addition to my past work involving JCP&L, I have
19 participated in a number of past cases concerning both its corporate parent,
20 FirstEnergy Corporation (“FE”) and other FE utilities.

21

1 **II. OVERVIEW AND SUMMARY OF RECOMMENDATIONS**

2 **A. Case Background**

3 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

4 A. I have been retained for this case by Rate Counsel to evaluate the financial and cost of
5 capital (including credit quality) issues raised by the Verified Petition (“Petition”)
6 filed by JCP&L. My testimony includes a discussion of the pertinent transmission
7 ratemaking issues.

8 JCP&L and its corporate affiliate Mid-Atlantic Interstate Transmission
9 (“MAIT”) filed this Petition seeking Board of Public Utilities (“BPU”) approval for
10 JCP&L to transfer its transmission assets to MAIT. In return, JCP&L would receive
11 an equity ownership interest in MAIT and thereby would receive dividend payments
12 commensurate with its equity investment and MAIT’s actual earnings. The
13 Petitioners also request BPU approval of MAIT’s participation in the FirstEnergy
14 Corporation (“FE”) Intra System Money Pool. Under this corporate restructuring
15 proposal, JCP&L will no longer own, construct or operate transmission as these
16 functions will be transferred to MAIT.

17 On April 22, 2016, JCP&L and MAIT submitted a Supplemental Petition to
18 transfer certain distribution assets and customers from JCP&L to MAIT. The purpose
19 of this distribution transfer is to provide a legal basis for designating MAIT as a New
20 Jersey public utility subject to BPU jurisdiction for certain functions. My testimony
21 takes no position on this legal issue. In Section V of my testimony, I discuss some of
22 the ratemaking and regulatory issues implicated by the proposed distribution asset
23 and customer transfer.

24 JCP&L and MAIT assert that this corporate restructuring and asset transfer
25 will provide important public interest benefits as compared to the current corporate

1 structure without (by itself) adversely affecting customer transmission rates. These
2 benefits are primarily the result of an improved risk profile for transmission
3 investment, a reduced corporate cost of capital (particularly in the form of interest
4 expense savings) and enhanced access to capital for transmission capital spending.
5 The Petition suggests that this improved access to capital will help to expedite the
6 completion of needed transmission projects, thereby improving transmission service
7 and creating additional jobs.

8 Q. PLEASE DESCRIBE THE CORPORATE RESTRUCTURING PROPOSED
9 IN THE PETITION.

10 A. JCP&L is the wholly-owned electric utility subsidiary of FE providing distribution
11 and transmission service. FE also has a transmission subsidiary, FirstEnergy
12 Transmission (“FET”), which in turn, owns two operating transmission utilities,
13 American Transmission System, Inc. (“ATSI”) and Trans-Allegheny Interstate Line
14 Company (“TrAILCo”). MAIT is FET’s third transmission subsidiary, but it is not
15 yet operational. ATSI is analogous to the proposed MAIT in that it has taken over the
16 transmission assets and transmission operations of the FE Ohio-based (and one
17 Pennsylvania based) retail electric utilities. TrAILCo is a new company established
18 to construct and operate a major new interstate transmission line, and unlike ATSI or
19 MAIT, was not created to take over the transmission assets of FE retail electric
20 utilities.

21 Under the proposed plan, MAIT is to receive the transmission assets of
22 JCP&L and two Pennsylvania retail electric utilities, Metropolitan Edison Company
23 (“MetEd”) and Pennsylvania Electric Company (“Penelec”). I sometimes refer to
24 these three utilities as the “GPU legacy utilities”. The Petition indicates that MAIT
25 plans to invest \$2.5 to \$3.0 billion in transmission construction over about the next

1 ten years, and this is in addition to the rate base of about \$900 million to be
2 transferred from the GPU legacy utilities to MAIT. MAIT's planned new
3 construction is to be financed with a combination of new equity (supplied by FET)
4 and debt issues. (Response to RCR-F-13) Each of the three GPU legacy utilities and
5 FET will receive dividends in proportion to their equity investments, with JCP&L's
6 share initially being about 55 percent. (Response to RCR-F- 16) In addition to the
7 transmission assets, the GPU legacy utilities will be transferring some of the goodwill
8 currently on their balance sheets to MAIT, about \$290 million from JCP&L and \$226
9 million from the Pennsylvania companies or a total of over \$500 million. (Response
10 to RCR-F-10)

11 Q. WILL ANY OF THE JCP&L DEBT SUPPORTING ITS TRANSMISSION
12 ASSETS BE TRANSFERRED TO MAIT?

13 A. No, all such debt will be retained by JCP&L. This means that MAIT will initially
14 have a capital structure of 100 percent equity until it has a need to issue debt.

15 Q. WILL ANY OF THE DIVIDENDS PAID BY MAIT TO JCP&L IN
16 EXCHANGE FOR THE ASSET TRANSFER BE CREDITED TO JCP&L
17 CUSTOMERS?

18 A. No, all of the dividend payments are to go to shareholders. (Response to RCR-F-27)

19 Q. WHAT IS YOUR UNDERSTANDING OF HOW TRANSMISSION
20 RATEMAKING WILL WORK UNDER THE MAIT PROPOSAL AS
21 COMPARED TO CURRENT PRACTICE WITH TRANSMISSION
22 ASSETS OWNED BY JCP&L?

23 A. My reference to transmission ratemaking is Network Integration Transmission
24 Service ("NITS") unless otherwise indicated. The NITS rate is set under the
25 jurisdiction of the Federal Energy Regulatory Commission ("FERC"). For JCP&L,

1 this rate was established in 1998 and has remained unchanged ever since. There is a
2 single unified NITS rate for the three GPU legacy utilities, and the use of a single
3 unified rate would continue under the MAIT proposal once the asset transfer occurs.
4 (Response to RCR-F-12). While there is a single unified rate for NITS, each of the
5 three GPU legacy utilities has a separate transmission zone. This is used for certain
6 non NITS transmission charges such as congestion and the allocation of PJM regional
7 transmission project costs. These three separate zones for non NITS costs would
8 continue under the MAIT proposal.

9 There is one notable change in ratemaking procedure. MAIT has indicated
10 that it intends to depart from the longstanding practice of using a fixed NITS rate and
11 instead will switch to FERC formula rates that will update annually (perhaps using
12 projections and true ups). (Response to RCR-F-40) This change in ratemaking
13 practice was not discussed in the Petition but is nonetheless potentially important.
14 Despite this change, Petitioners claim that the asset transfer to MAIT, by itself, will
15 not adversely affect customer transmission rates. (Response to RCR-F-28)

16 Q. WILL THE TRANSMISSION TRANSFER ALTER THE MANNER IN
17 WHICH TRANSMISSION SERVICE IS PROVIDED?

18 A. No, there appear to be no significant operational changes or “synergies” associated
19 with this corporate restructuring proposal. There is no indication that the transfer will
20 change the list of transmission projects to be constructed (although Petitioners
21 suggest that it may expedite completion). In particular, whether the transmission
22 owner is JCP&L or MAIT the NERC reliability standards must be met and the PJM
23 planning process for project approval must be followed. MAIT will have no
24 employees and will continue to use JCP&L maintenance staff just as takes place now.
25 It can be expected to use FE transmission engineers and will procure professional

1 services from FE affiliates just as occurs now. The only notable change claimed by
2 Petitioners is an improved credit rating and scale economies in the issuance of new
3 debt. My testimony explains why this claim of is of doubtful validity.

4 Q. PLEASE SUMMARIZE THE BENEFITS THAT PETITIONERS CLAIM
5 WILL RESULT FROM THE ASSET TRANSFER.

6 A. As a result primarily of the asserted improved credit quality at MAIT, as compared to
7 JCP&L, the Petitioners claim the following benefits.

- 8 • An interest expense savings totaling \$135 million;
- 9 • Due to improved access to capital, transmission projects can be completed
10 more quickly, thereby improving transmission service;
- 11 • Increased employment associated with the expediting of transmission project
12 completion; and
- 13 • Clearer and more streamlined financial reporting as the distribution function
14 (BPU-regulated) and transmission (FERC-regulated) would be in separate
15 subsidiaries.

16 Q. IS THE TRANSFER OF TRANSMISSION ASSETS FROM THE RETAIL
17 UTILITY TO STAND-ALONE TRANSMISSION AFFILIATES A
18 COMMON PRACTICE IN THE ELECTRIC UTILITY INDUSTRY?

19 A. No, based on my knowledge of the utility industry, the normal structure is for
20 transmission assets and functions to remain with the local retail utility. This is true
21 even when utilities are a member of a Regional Transmission Organization. FE is
22 one of the very few utility holding companies that has adopted (and/or is proposing)
23 this form of corporate organization. This may be because utilities and their regulators
24 have not found this form of corporate organization to be advantageous.

1 **B. Summary of Findings and Recommendations**

2 Q. THE CENTRAL CLAIM IN THIS CASE IS THAT THE TRANSFER WILL
3 IMPROVE CREDIT QUALITY FOR TRANSMISSION AND THEREBY
4 LOWER THE COST OF CAPITAL. DO YOU AGREE?

5 A. No, I do not. My testimony disputes that claim as being doubtful, or at best, of minor
6 importance. The absence of a credit quality/cost of capital benefit from this corporate
7 structure also means that the claims of improved transmission service and
8 employment increase are similarly doubtful since they depend on the credit quality
9 and access to capital arguments. I dispute these benefits for the following reasons:

- 10 • Even if the improved credit quality claim is correct, the dollar benefit to
11 JCP&L customers is very minor – only on the order of about \$1 million per
12 year over the first ten years or about a miniscule 0.4 cent savings on the
13 monthly bill of a typical JCP&L customer consuming 1,000 kWh per month.
- 14 • The improved credit rating for MAIT is questionable based on current
15 evidence. Both FET and ATSI (the latter being the best subsidiary analogy to
16 MAIT) have credit ratings weaker or no better than those of JCP&L.
- 17 • Even if it turns out that MAIT has stronger credit ratings than JCP&L, the
18 transfer has the potential to weaken JCP&L’s credit ratings (or weaken its
19 scale economies in issuing new debt). Petitioners have not taken this
20 possibility seriously instead suggesting that there must be a credit quality
21 “free lunch”, that is a credit rating net gain that can be obtained at no cost to
22 the Company or its customers merely by transferring and retitling the
23 transmission assets. This is simply not realistic.
- 24 • No evidence has been presented indicating that JCP&L does not have access
25 to capital such that it would prevent it from undertaking meritorious and PJM-
26 approved transmission projects on an optimal schedule.
- 27 • If the “problem” to be solved by the asset transfer is relatively weak credit
28 ratings at JCP&L, then the most appropriate solution is to take the necessary
29 steps to improve JCP&L’s credit ratings. Those ratings are weaker than those
30 of other New Jersey gas and electric utilities which are generally rated strong
31 triple B to single A, particularly when issuing secured debt. There is no
32 reason why JCP&L could not move into that range based on its business
33 fundamentals. JCP&L must explore ring fencing arrangements to protect
34 against affiliate risk. Moreover, both FE and JCP&L need to strengthen their

1 balance sheets which are dominated by unproductive “goodwill” and excess
2 debt leverage. It is under the control of FE and JCP&L management to rectify
3 this serious problem. The MAIT proposal is both unnecessary and leaves the
4 current credit quality problem to fester.

- 5 • JCP&L could improve its credit ratings and lower its cost of debt by issuing
6 secured debt (e.g., first mortgage bonds) instead of its current practice of only
7 issuing unsecured debt.

8 Q. YOUR TESTIMONY CASTS DOUBT ON THE ASSERTED BENEFITS
9 OF THE ASSET TRANSFER. ARE THERE ALSO SOME POTENTIAL
10 HARMS TO CUSTOMERS THAT COULD RESULT FROM THE
11 TRANSFER OF TRANSMISSION ASSETS?

12 A. Yes, I believe that there are. As Section III of my testimony explains, the transfer has
13 the potential to result in an increase in the rate of return used for transmission
14 ratemaking as compared to the status quo of no transfer. Consequently, if the BPU is
15 inclined to approve the asset transfer, I believe that protective conditions are needed
16 to mitigate these potential harms.

17 In addition, there are two additional concerns raised by the asset transfer
18 proposal that are difficult at this juncture to assess but nonetheless create uncertainty
19 and customer exposure. As stated above, MAIT intends to move from the current
20 ratemaking of fixed NITS rates to FERC formula rates (if such formula rates are
21 approved by FERC). The effect on customers of this change in ratemaking practice is
22 unclear and has not been addressed by Petitioners. Second, the asset transfer to
23 MAIT and its planned capital expansion may be a prelude to a future MAIT
24 transaction – a sale of MAIT to a third party, a spinoff to shareholders or even the
25 sale of hard assets. It is unclear how such a transaction (if it were to occur) would
26 affect JCP&L customers.

27 Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS AT THIS TIME.

1 A. Given the absence of any convincing material benefits from this asset transfer along
2 with the potential for considerable harms to customers, I urge the BPU deny the
3 Petition and reject the asset transfer request. As noted, the “problem” is the subpar
4 JCP&L credit ratings (which as I noted are well below those of all other New Jersey
5 electric and gas utilities). Consequently, the proper solution is not to strip JCP&L of
6 its valuable assets but rather to have JCP&L take the reasonable steps to improve its
7 credit ratings mentioned above by pursuing constructive ring fencing measures and
8 strengthening its unreasonably weak balance sheet. Also, as mentioned above,
9 JCP&L could lower its cost of long-term debt by issuing secured debt such as first
10 mortgage bonds rather than relying solely on higher cost unsecured debt, its current
11 practice.

12 However, if the BPU is inclined to approve the transfer, this approval should
13 be accompanied by protective conditions as identified by Rate Counsel witnesses.

14 Q. WHAT ARE THE PROTECTIVE CONDITIONS THAT YOU ARE
15 SUGGESTING?

16 A. In the event of BPU approval of the asset transfer, I recommend the following
17 conditions accompany that approval:

- 18 1. I am concerned that the transfer could result in an increase in the rate currently
19 used by JCP&L for Allowance for Funds Used During Construction
20 (“AFUDC”). To ensure that this harm does not occur, MAIT must agree not
21 to use a return on equity (“ROE”) in its AFUDC formula that exceeds the
22 ROE approved by the BPU in JCP&L base rate cases. A higher AFUDC rate
23 caused by the transfer would result in both a higher rate base and annual
24 depreciation expense.
- 25 2. MAIT must agree not to include goodwill in transmission rates, including in
26 the ratemaking capital structure.
- 27 3. MAIT must not use an equity ratio in its ratemaking capital structure that is
28 higher than that approved by the BPU in JCP&L rate cases.

- 1 4. MAIT must agree not to request at FERC any ROE incentive adder for its
2 status as an independent transmission company (or any ROE incentive adder
3 that JCP&L as a transmission owner would not be entitled to request).
- 4 5. MAIT must agree not to seek approval of formula rates at FERC without first
5 having at least the concept of formula rates for transmission approved by the
6 BPU. I understand Rate Counsel witness Hempling is making additional
7 recommendations to the Board on this issue.
- 8 6. There shall be no spin off, sale or merger involving MAIT (or sale of hard
9 assets) without MAIT making a formal filing at the BPU requesting approval,
10 with the BPU having authority to approve, deny or condition such request as
11 needed to protect JCP&L customers and the public interest.
- 12 7. MAIT must proceed with ring fencing measures as may be directed by the
13 BPU in order to enhance its credit quality.
- 14 8. The asset transfer has the potential to harm JCP&L's credit quality by
15 stripping away the valuable transmission assets. If a determination of harm to
16 JCP&L is reached by the BPU, the BPU shall have the authority to disallow
17 from distribution rates any "excess" interest expense caused by the transfer.
- 18 9. JCP&L should in future debt financings issue secured instead of unsecured
19 debt or justify to the Board why it is not doing so.

20 I discuss these various conditions in more detail in Section IV of my testimony.

21 Q. DO YOU OPPOSE MAIT'S REQUEST FOR PARTICIPATION IN THE FE
22 INTRA-CORPORATE MONEY POOL?

23 A. No, I do not, subject to the various Money Pool conditions specified in Paragraph 31
24 of the Petition. Importantly, this list of conditions includes a requirement for MAIT
25 to maintain an investment grade credit rating and for MAIT to utilize Money Pool
26 borrowings only if that is its least cost source of funds.

27 C. **Testimony Organization**

28 Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

29 A. In Section III of my testimony, I address in detail the Petitioners' claims of credit
30 quality improvement and interest expense savings of \$135 million. I explain why this
31 asserted benefit is doubtful and at best of minor importance. Section IV presents my

1 protective conditions in the event the BPU sees merit in the approval of the asset
2 transfer proposal. I explain why these protective conditions are needed to prevent
3 harm or serve the public interest. Section V is a brief discussion of the implications
4 associated with the Amended Joint Petition, i.e., the transfer of distribution customers
5 and assets from JCP&L to MAIT.

1 **III. THE CLAIMED FINANCIAL SAVINGS**

2 Q. HOW DOES JCP&L SUPPORT ITS CLAIM OF A COST OF CAPITAL
3 BENEFIT FROM THE ASSET TRANSFER?

4 A. This savings and its quantification is discussed in the testimony of Petitioners'
5 witness Steven R. Straub, page 11 -15. He argues that credit rating agencies have a
6 preference for transmission-only companies and that this structure is also viewed as
7 being very attractive to investors. He supports this assertion by reference to JCP&L's
8 transmission affiliate, TrAILCo, which he asserts is rated low single A (by Moody's),
9 whereas JCP&L is rated a weaker Baa2 by that same agency. Assuming \$1.5 billion
10 of new debt (i.e., 50% of the total \$3.0 billion of planned construction at MAIT), a
11 30-year time horizon and a 0.3 percent interest rate savings from a single A versus
12 Baa2 credit rating, the total dollar savings of interest expense is \$135 million.

13 (Response to RCR - F – 8)

14 Q. DO YOU TAKE ISSUE WITH MR. STAUB'S FACTUAL STATEMENTS?

15 A. I believe that certain of Mr. Staub's factual assertions are reasonable, but I disagree
16 with other aspects and assumptions contained in his analysis of the cost of capital
17 savings. In particular, I do not contest his assertion of a single A/triple B credit
18 spread of about 0.3 percent and that TrAILCo has a stronger credit rating than JCP&L
19 (although both companies have identical S&P ratings of BBB- due to the affiliation
20 with FE). I also agree with Mr. Straub's contention that credit rating agencies hold
21 transmission operations in very high regard which is due to a large extent to FERC
22 regulation.

23 Q. IS ANY OF THE CLAIMED \$135 MILLION IN ESTIMATED INTEREST
24 EXPENSE SAVINGS GUARANTEED?

1 A. No. The response to RCR-F-29 makes it clear that none of the estimated \$135
2 million in estimated interest expense savings claimed by Petitioners is guaranteed. It
3 is merely an estimate of what is expected by Petitioners to occur.

4 Q. DOES MR. STAUB IDENTIFY AND QUANTIFY ANY OTHER COST OF
5 CAPITAL SAVINGS?

6 A. No, other than a general reference to reduced risk. For example, there is no
7 suggestion of a lower ratemaking ROE or capital structure for transmission will result
8 from the asset transfer. As I discuss in Section IV, I am concerned about a possible
9 increase in the ratemaking cost of capital as MAIT seeks a higher authorized rate of
10 return. The \$135 million is the only ratepayer savings asserted in the Petition.

11 Q. ASSUMING THAT MR. STAUB'S ANALYSIS IS CORRECT, DOES THIS
12 MEAN THAT JCP&L CUSTOMERS WILL ENJOY A \$135 MILLION
13 RATE SAVINGS?

14 A. No, the \$135 million is the total MAIT savings, with JCP&L customers obtaining
15 perhaps 50 percent of those savings, or roughly \$67 million over 30 years. This
16 amounts to about \$2 million per year. I calculate that for a typical residential
17 customer consuming 1,000 kwh per month, the monthly bill savings would be on the
18 order of 1 cent. (I base this on JCP&L's annual distribution sales of about 21 million
19 MWh and no increase over time.) This is obviously a miniscule customer savings
20 and is the result of accepting Mr. Staub's figures at face value.

21 Q. DO YOU DISPUTE EVEN THIS MODEST SAVINGS AMOUNT?

22 A. Yes, I do. For several reasons, I believe that his analysis of savings is oversimplified
23 and relies on questionable or faulty assumptions. More importantly, I find the focus
24 of Petitioners and FE management to be misplaced. Instead of focusing on how the
25 subpar JCP&L credit ratings can be strengthened, they instead pursue a strategy of

1 stripping away from JCP&L its most valuable assets (from a credit quality point of
2 view) in order to benefit shareholders. Petitioners' presentation in this case does not
3 seriously consider how the transmission asset transfer proposal might adversely
4 impact JCP&L or how, as an alternative, JCP&L can be improved.

5 Q. WHAT ARE YOUR SPECIFIC DISAGREEMENTS?

6 A. I disagree with the following aspects of Mr. Staub's savings analysis:

- 7 • Mr. Staub's calculations assume MAIT (and JCP&L under the "status quo"
8 case) would issue \$1.5 billion of new long term debt on day one of the study
9 horizon. In reality, the \$1.5 billion of new debt (assuming that much debt is
10 issued) would be issued gradually over a period of many years. This more
11 realistic assumption produces a much lower level of savings particularly over
12 the first ten years post transfer (a more relevant study period) than the claimed
13 \$2 million per year.
- 14 • The claimed savings are based on using TrAILCo as the "model" for MAIT.
15 This assumption is highly questionable for several reasons. Rather, a more
16 appropriate analogy or model would be ATSI, the other FE transmission
17 company, with ATSI having credit ratings similar to JCP&L.
- 18 • Mr. Staub's analysis implicitly assumes that JCP&L's credit ratings cannot be
19 improved in the status quo (no transfer) case. I believe that those credit
20 ratings can be improved and they should be if management is dedicated to the
21 task. Even if the BPU approves the asset transfer, I urge management to focus
22 on improving JCP&L.
- 23 • There appears to be no recognition that stripping away the valuable
24 transmission assets could actually weaken JCP&L from a credit rating
25 standpoint. Mr. Staub implicitly assumes that stripping away these valuable
26 assets and transferring them to MAIT would have no adverse effect on
27 JCP&L. This is equivalent to assuming a credit rating "free lunch".
- 28 • There has been no analysis or consideration of the impacts on JCP&L
29 customers of MAIT's intention of adopting "forward-looking" formula rates.

30 Q. MR. STAUB SUGGESTS THAT THERE MAY BE A SCALE
31 ECONOMIES BENEFIT FROM LARGE DEBT ISSUES, AND MAIT CAN
32 REALIZE THIS BENEFIT. DO YOU AGREE?

1 A. I agree that it is possible that there can be a small economies of scale benefit
2 associated with large debt issuances as compared to smaller issuances. But this is just
3 another inappropriate “free lunch” argument. While MAIT formation combining the
4 GPU legacy utilities transmission capital spending can provide some debt scale
5 economies, it comes at the expense of JCP&L. This is because the transfer causes
6 JCP&L to lose scale economies by the same amount, and its (now distribution only)
7 debt issues presumably would be smaller than in the status quo case of no transfer.
8 Thus, the benefit to MAIT and detriment to JCP&L would offset, with the end result
9 being no net economies of scale benefit to JCP&L customers.

10 Q. IF ONE ACCEPTS THE PREMISE THAT MAIT’S CREDIT RATINGS
11 WILL BE HIGHER THAN THOSE OF JCP&L, WHY DO YOU DISPUTE
12 THE \$2 MILLION PER YEAR SAVINGS?

13 A. As a matter of calculation mechanics, it is based on the notion that \$1.5 billion of debt
14 is issued on day one instead of using the more reasonable assumption that it would be
15 spread out over many years. As an illustration of more plausible savings, I have
16 assumed \$1.5 billion is issued gradually over ten years. Assuming the same 0.3
17 percent credit spread savings used by Mr. Staub, this produces an average annual
18 savings over the first ten years post transfer of about \$1 million for JCP&L
19 customers. Using the same assumptions as indicated above, this is a monthly bill
20 savings for the typical residential customers of about 0.4 cents. I show this savings
21 calculations on Schedule MIK-1.

22 Thus, at best, the transmission asset proposal offers miniscule savings to
23 customer bills even if all other aspects of Mr. Staub’s analysis are accepted.

24 Q. WHY DO YOU QUESTION MR. STAUB’S RELIANCE ON TRAILCO AS
25 THE MODEL FOR MAIT AS BEING MISPLACED?

1 A. Mr. Staub accurately states that TrAILCo has a stronger Moody’s credit rating at this
 2 time than JCP&L, but TrAILCo differs in some important ways from the MAIT
 3 proposal. It is my understanding that TrAILCo was specifically created for purposes
 4 of developing and investing in a major interstate PJM regional transmission project
 5 with the broad PJM market paying the ongoing revenue requirements. This customer
 6 diversity helps to reduce risk. Unlike MAIT, TrAILCo is not linked to a specific
 7 retail service territory nor did it begin by receiving the transmission assets of specific
 8 retail delivery service utilities. This means that TrAILCo may not have, going
 9 forward, the same degree of capital requirements or local responsibilities as MAIT.
 10 In addition, TrAILCo uses a 60 percent equity ratio in its capital structure for
 11 ratemaking purposes, meaning that the higher credit ratings come at a steep price to
 12 consumers. (Response to RCR-F-25)

13 I believe that a far more appropriate analogy or model for MAIT would be
 14 ATSI, another transmission affiliate that took over the transmission assets of four FE
 15 retail utilities. I show below the present credit ratings for Moody’s and S&P for FE,
 16 JCP&L, FET, ATSI and TrAILCo.

<u>Company</u>	<u>Moody’s Rating</u>	<u>S&P Rating</u>
FE	Baa3	BBB-
JCP&L	Baa2	BBB-
FET	Baa3	BBB-
ATSI	Baa2	BBB-
TrAILCo	A3	BBB-

Source: RCR-F-2 and RCR-F-5.

17 ATSI, like JCP&L, is also rated Baa2 by Moody’s and FET (the parent of all
 18 three transmission subsidiaries) is rated an even lower Baa3, which is a weaker rating

1 than assigned by Moody's to JCP&L. At a minimum, this suggests considerable
2 uncertainty and doubt concerning the alleged credit rating advantages of an asset
3 transfer.

4 Q. HAVE PETITIONERS PRESENTED ANY EVIDENCE THAT THERE
5 WILL BE NO ADVERSE IMPACTS ON JCP&L FROM STRIPPING OUT
6 THE VALUABLE TRANSMISSION ASSETS?

7 A. No, there has been no real analysis of that issue and very little evidence presented on
8 this issue. As a matter of common sense, JCP&L's credit quality would be the result
9 of the weighted average of its distribution function credit quality and transmission
10 function credit quality, with the latter at the present time receiving less weight as it is
11 smaller in dollar amounts (although this may change over time). If the more credit
12 worthy line of business (transmission) is stripped out, then it follows that the credit
13 quality for the remaining pure distribution business will be weaker, all else equal. I
14 believe that Petitioners should have the burden of demonstrating why this common
15 sense result would not be true.

16 Rate Counsel sought to explore this question in discovery requesting analysis
17 and evidence concerning effects of the asset transfer on JCP&L's credit quality.
18 (RCR-F-18) The response merely stated that this issue had not come up in the
19 discussions FE held with credit rating agency analysts. This response is not
20 surprising since the purpose of the discussion with the rating agencies was to address
21 the MAIT credit quality. Moreover, Petitioners could provide almost no
22 documentation concerning these discussions held with rating analysts. This is hardly
23 convincing evidence of no harm.

24 I am not necessarily suggesting or predicting that the transfer of the assets
25 would cause a credit rating downgrade for JCP&L. But I do believe that losing the

1 valuable transmission assets could be one additional factor or “head wind” that may
2 make it more difficult for JCP&L to improve on its current credit ratings. In that
3 sense, there would be a hidden cost of capital burden for customers that would offset
4 any interest expense savings that MAIT would provide.

5 Q. HAVE CREDIT-RATING AGENCIES RECENTLY COMMENTED ON
6 THIS ISSUE?

7 A. Yes, a recent Moody’s report on JCP&L dated March 4, 2016 raises a serious concern
8 regarding the JCP&L credit quality implications from the MAIT transfer.

9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

24 Notably, in either case, JCP&L customers lose. Either there is a credit quality
25 reduction (due to lost cash flow), or cash flow effects are neutral but only because

1 customers must pay higher transmission rates under forward-looking formula rates as
2 compared to the no transfer, status quo case.

3 Q. ONE OF YOUR DISPUTES WITH PETITIONERS IS THEIR LACK OF
4 INTEREST IN IMPROVING JCP&L’S CURRENT CREDIT RATINGS.
5 WHAT IS YOUR SPECIFIC CONCERN?

6 A. The “problem” that the MAIT transmission asset transfer is supposed to fix is the
7 relatively weak ratings at JCP&L (BBB- from S&P and Baa2 from Moody’s). This
8 “fix” is the claimed source of the \$135 million of interest expense savings (which in
9 reality may be on the order of about \$1 million per year during the first ten years), the
10 acceleration of completion of transmission projects, improved transmission service
11 quality and increased employment.

12 I must respectfully disagree with this perspective on the “problem”, and I
13 instead urge FE management to take the necessary steps over time to strengthen
14 JCP&L’s credit quality. Stripping away JCP&L’s valuable transmission assets is
15 simply a step in the wrong direction if the goal is one of benefitting JCP&L’s
16 customers.

17 It is important to note that JCP&L’s credit ratings are really an outlier relative
18 to other New Jersey gas and electric delivery service utilities. In general, other New
19 Jersey gas and electric utilities have been able to enjoy credit ratings in the single A,
20 high triple B range. The only exception that I am aware of is Atlantic City Electric
21 Company (“ACE”) which has a Moody’s Baa2 issuer rating, although it has a low
22 single A rating for secured debt. I am aware of the financial circumstances of other
23 New Jersey utilities from my extensive work in rate cases and securities issuance
24 dockets.

1 Q. IS THERE ANY REASON WHY JCP&L WOULD NOT BE ABLE TO
2 IMPROVE ITS CREDIT RATINGS COMMENSURATE WITH OTHER
3 NEW JERSEY GAS AND ELECTRIC UTILITIES?

4 A. No, I believe that it should be able to do so with the right focus and policies. After
5 all, JCP&L is subject to the same highly supportive regulation by this Board and
6 FERC as other New Jersey electric utilities, as routinely recognized by the credit
7 rating agencies. There is nothing I am aware of in JCP&L's operations or diverse
8 service area that would be a barrier to improvement in credit ratings.

9 I note that in the most recent JCP&L rate case (Docket No. ER12111052), the
10 Company was awarded a ROE of 9.75 percent and a capital structure with a 50
11 percent equity ratio. This is very much in line with awards to other New Jersey
12 utilities in recent years.

13 Q. HOW COULD JCP&L IMPROVE ITS CREDIT RATINGS?

14 A. As I testified in the Company's most recent base rate case (and as affirmed by the
15 BPU's decision in that case), JCP&L should at least explore "ring fencing" measures
16 to protect it from affiliate-related credit risks associated with FE's relatively risky
17 merchant power plant operations. This affiliate risk is undoubtedly the source of the
18 rather weak BBB- ratings from S&P and may be affecting the Moody's rating to
19 some unknown degree as well.

20 The second problem is with the JCP&L balance sheet. On the surface, the
21 stated book capital structure appears to be within the range of reasonableness. But
22 this is highly misleading and can create problems for credit rating purposes. This is
23 because the balance sheet is dominated by "goodwill" which is classified as an asset
24 and therefore inflates common equity for financial reporting purposes. In response to
25 RCR-F-11, Petitioners provided JCP&L's recent balance sheet at June 30, 2015. This

1 indicates a capital structure of \$2.455 billion of equity, \$0.4 billion of outstanding
2 short term debt and \$2.0 billion of long term debt (excluding securitization debt).
3 This suggests about a 50/50 capital structure. However, the balance sheet also
4 indicates goodwill of over \$1.8 billion or nearly 75 percent of book equity. The
5 problem is that the goodwill is nothing more than an accounting write up. It is not a
6 utility asset, nor does it represent utility assets, nor does it provide any earnings or
7 cash flow. After all, the Company is forbidden to include goodwill in its ratemaking
8 cost of service in either New Jersey or FERC, including capital structure. Hence the
9 presence of the goodwill results in an effective common equity ratio of only about 25
10 percent. This (in reality as opposed to appearances) balance sheet weakness that
11 causes weakness in financial metrics which are based on actual debt obligations and
12 actual cash flow to a large degree. While JCP&L does plan on moving some of its
13 goodwill to MAIT, this is only a small portion.

14 JCP&L's credit ratings are weaker than those of other New Jersey utilities
15 despite supportive New Jersey regulation, a low "T&D" business risk profile and a
16 diverse service territory because it is undercapitalized. This problem can be
17 addressed over time if FE management is willing to do so. As the balance sheet
18 repair takes place, JCP&L's credit ratings will do so as well. Stripping out the
19 transmission assets, while perhaps very appealing to shareholders, is a step in the
20 wrong direction and would not be helpful. The focus should be on improving
21 JCP&L, not weakening it.

22 Q. IS THERE SIMILAR CREDIT QUALITY WEAKNESS FOR FE CORP?

23 A. Yes, unfortunately there is. Due to management decisions, FE Corp. is operating
24 with a very weak balance sheet. I have reviewed FE Corp.'s consolidated balance
25 sheet of December 31, 2015. It shows total debt of \$22.4 billion and common equity

1 of \$12.42 billion. (I note that about \$800 million of this debt is securitization debt.)
2 This is a very weak 36 percent common equity ratio, and is well below a reasonable
3 capital structure target for an electric utility and industry standards. Moreover, it
4 appears that FE's consolidated capital structure has actually weakened in recent years.

5 A closer inspection of the 2015 balance sheet reveals further trouble. About
6 half of the \$12.4 billion in common equity (\$6.4 billion) is "Goodwill," a non-cash
7 accounting write-up unrelated to hard assets such as plant and equipment. Goodwill
8 generates no cash flow for FE as it is not part of utility rate base. The equity ratio
9 excluding this Goodwill is only about 20 to 25 percent, a capital structure that is
10 unacceptably weak.

11 The MAIT transfer fails to come to grips with this more basic corporate
12 financial weakness and policy problem at FE. Instead of stripping JCP&L of its most
13 valuable assets, FE should focus on strengthening its balance sheet. FE is presently a
14 badly undercapitalized utility corporation.

15 Q. ARE THERE ANY OTHER IMPORTANT MEASURES THAT JCP&L
16 COULD TAKE TO REDUCE ITS DEBT COSTS UNDER THE NO
17 TRANSFER, STATUS QUO CASE?

18 A. Yes. JCP&L's practice is to issue unsecured debt with the relatively weak ratings
19 described by Petitioners' witnesses. Other New Jersey (and non-New Jersey FE)
20 utilities issue secured debt in the normal course of business. The secured debt
21 typically carries a higher credit rating. For example, Atlantic City Electric Company
22 has a Baa(2) unsecured debt rating from Moody's (the same as JCP&L) but a single
23 A rating for its secured debt. JCP&L—largely alone among the FE retail utilities—
24 does not even have a credit rating for secured debt.

1 On the following table, I show the unsecured and secured debt credit ratings
 2 for JCP&L’s sister retail utilities.

Table 1.
Present Moody’s and S&P Issuer Credit Ratings

Utility	Moody’s Rating		S&P Rating	
	Unsecured	Secured	Unsecured	Secured
Cleveland Electric	Baa3	Baa1	BBB-	BBB+
Metropolitan Edison	Baa1	--	BBB-	--
Monongahela Power	--	A3	BBB-	BBB+
Ohio Edison	Baa1	A2	BBB-	BBB+
Pennsylvania Electric	Baa2	--	BBB-	--
Potomac Edison	--	A3	BBB-	BBB+
Toledo Edison	--	Baa1	BBB-	BBB+
West Penn Power	--	A2	BBB-	BBB+
Pennsylvania Power	--	A2	BBB-	--

Source: FirstEnergy “Quarterly Highlights” 1Q 2016 Earnings Call, Page 21, April 27, 2016

3 The S&P secured credit ratings are all BBB+ (as compared to BBB- for
 4 unsecured) and Baa1 to A2 for Moody’s, or typically a two “notch” improvement
 5 over unsecured debt. There is every reason to believe that JCP&L could enjoy a
 6 similar two-notch credit rating improvement from issuing secured debt under the
 7 status quo, no transfer case.

8 Q. HOW DOES THIS ISSUE RELATE TO THE \$135 MILLION OF
 9 CLAIMED INTEREST EXPENSE SAVINGS?

10 A. This indicates that the interest rate savings are indeed obtainable, but this benefit is
 11 best achieved by leaving JCP&L intact and focusing instead on how it can be
 12 improved, rather than weakened and dismembered, including issuing secured debt.
 13 Moreover, strengthening JCP&L would provide benefits on both the distribution and
 14 transmission side, not just the transmission side.

1 Q. ONE OF THE THEMES IN THE PETITION AND SUPPORTING
2 TESTIMONY IS THAT THE TRANSMISSION ASSET TRANSFER WILL
3 IMPROVE ACCESS TO CAPITAL FOR TRANSMISSION. DO YOU
4 AGREE?

5 A. No, I do not. The Petition presents no evidence that JCP&L is unable to obtain the
6 funds that it needs at reasonable cost to fund meritorious and needed transmission
7 projects. But my larger point is that JCP&L's credit quality can and should be
8 improved, which would further support the notion that it can obtain needed capital for
9 transmission capital investment on reasonable terms. Thus, there is no merit in
10 Petitioners claim that MAIT is needed to improve transmission service quality or to
11 enhance job creation. Moreover, if MAIT leads to higher transmission rates this
12 would cost jobs as it would make electric service from JCP&L less competitive and
13 weaken customer purchasing power.

14 Q. IN THIS SECTION OF YOUR TESTIMONY YOU ARE DISPUTING THE
15 CLAIM OF RATE SAVINGS FROM THE ASSET TRANSFER TO MAIT.
16 ARE YOU ALSO SUGGESTING THAT IT COULD LEAD TO EVEN
17 HIGHER RATES?

18 A. Yes, I believe there is the potential for higher costs through a higher ratemaking rate
19 of return. Consequently, in the event that the BPU is inclined to approve the transfer
20 of transmission assets to MAIT in some form, I believe conditions are needed to
21 protect customers. I discuss the need for such conditions in Section IV.

1 **IV. THE NEED FOR PROTECTIVE CONDITIONS**

2 Q. WHY ARE YOU CONCERNED THAT THE TRANSFER OF
3 TRANSMISSION ASSETS TO MAIT MAY LEAD TO HIGHER RATES
4 FOR JCP&L CUSTOMERS?

5 A. Petitioners have stated that the transfer of transmission assets to MAIT will not
6 adversely affect revenue requirements for NITS and will even provide some savings
7 in the form of lower interest expense. However, my review of discovery responses
8 indicates that there is at least the potential for an increase in the ratemaking rate of
9 return. This is true even though the authorized rate of return is determined by FERC
10 in both the status quo (no asset transfer) and with the asset transfer. The increased
11 rate of return (which could be significant) could result from one or all of the
12 following: (a) an increase in the AFUDC rate; (b) an incentive adder for the
13 authorized ROE; and (c) the use of a more expensive equity ratio. In addition to a
14 higher rate of return inappropriately increasing customer rates, it could also distort
15 incentives by encouraging management at MAIT (and FE) to inflate the rate base by
16 overspending on transmission. This could occur if the rate of return exceeds the cost
17 of capital. In such a case, customers are harmed twice, first by paying the excessive
18 rate of return and second by the use of a rate base higher than it needs to be to meet
19 NERC reliability standards.

20 There are two other concerns that are difficult to assess at this time, as they
21 have not been explained by Petitioners. One concern is MAIT's intention of moving
22 to formula rates (as compared to JCP&L's longstanding practice of using fixed
23 transmission rates for NITS.) The second is the possibility that at some future time,
24 FE may decide to sell or spin off MAIT in order to capture a market premium for
25 shareholders.

1 The best way to prevent these harms (or potential harms) would be to deny the
2 Petition and the asset transfer. Alternative, if the BPU believes there is merit in the
3 proposal, it should impose protective conditions set forth by Rate Counsel. Some of
4 these are set forth in this section.

5 Q. PLEASE EXPLAIN YOUR FIRST CONCERN REGARDING THE AFUDC
6 RATE.

7 A. In response to RCR-F-22, JCP&L provides the calculation of the AFUDC rate
8 employed for transmission. This rate is important because some transmission projects
9 can be very large and involve long construction gestation periods. The AFUDC
10 ultimately becomes part of the plant in service, thereby increasing both rate base and
11 annual depreciation expense.

12 The data response shows that the Company uses the FERC method, first
13 allocating short term debt to construction work in progress (“CWIP”) with the
14 balance of CWIP not financed by short term debt receiving the weighted average cost
15 of capital (“WACC”). The data response shows that the ROE used in the FERC
16 formula (i.e., the WACC portion) is 9.75 percent. This is the ROE approved by the
17 BPU in the Company’s last base rate case. Undoubtedly, this would change once the
18 transmission assets are transferred to MAIT. Presumably MAIT would use the ROE
19 authorized for it by FERC, which would include any ROE incentive adders approved
20 by FERC and is very likely to be significantly higher than the ROE approved by the
21 BPU. This implies a higher AFUDC rate under the transfer to MAIT than the no
22 transfer status quo. Ultimately, all else equal, this will result in higher rate base and
23 depreciation expense as a result of the asset transfer.

24 Q. HOW CAN THIS ADVERSE RATE IMPACT BE PREVENTED?

1 A. The BPU could require a protective condition stating that the FERC AFUDC rate
2 used by MAIT should reflect a ROE (for that portion of the AFUDC formula) no
3 higher than the prevailing ROE approved by the BPU for JCP&L.

4 Q. WHAT IS YOUR CONCERN REGARDING CAPITAL STRUCTURE?

5 A. As explained by Petitioners, MAIT will initially have a capital structure of 100
6 percent equity since none of the GPU legacy utilities debt transfers to MAIT.
7 However, during a transition period (which appears to be about two years), MAIT
8 plans to use for FERC ratemaking a hypothetical capital structure of 50 percent equity
9 and 50 percent debt. (The cost rate for hypothetical debt has not been addressed.)
10 Petitioners indicate that after this relatively short transition, it will shift to an actual
11 capital structure, but they have not indicated what that actual capital structure will be.
12 (Response to RCR – F- 9) Please note that the temporary 50/50 capital structure
13 matches the capital structure approved by the BPU in the Company’s last base rate
14 case.

15 Q. WHAT IS THE ACTUAL CAPITAL STRUCTURE AFTER THE
16 TRANSITION PERIOD THAT MAIT WILL USE?

17 A. I don’t know, and MAIT may not know either at this time. My concern, however, is
18 that this capital structure could be substantially more expensive (i.e., greater equity)
19 than would be the case if the transmission assets were to remain with JCP&L. While
20 it is true that the BPU does not directly micro manage the capital structures of the
21 utilities that it regulates, it has considerable influence to ensure that those capital
22 structures are reasonable. It would have no such influence over MAIT since it would
23 have no ratemaking authority.

24 My concern is heightened by the actual ratemaking practices for FE’s other
25 transmission utilities, ATSI and TrAILCo. For ratemaking purposes both utilities

1 utilize a 60 percent equity/40 percent debt capital structure. (Response to RCR-F-25
2 and 31) I regard these capital structures as being unnecessarily expensive,
3 particularly as compared with the approximately 50/50 capital structures used for
4 electric utilities in New Jersey. The use of such an expensive capital structure could
5 significantly increase the rate of return paid by customers with no commensurate
6 benefit.

7 Q. HAVE PETITIONERS AGREED TO EXCLUDE GOODWILL FROM THE
8 ACTUAL CAPITAL STRUCTURE?

9 A. Not entirely. The response to RCR-F-17 acknowledges that it is contrary to normal
10 FERC practice to authorize recovery of goodwill in rates, including in the ratemaking
11 capital structure. However, that data response seems to leave the door open for
12 inclusion of goodwill by indicating that the inclusion of goodwill in FERC regulated
13 rates could be requested in a filing. There is nothing in the data response that
14 precludes MAIT from seeking to recover goodwill in rates and/or including it in its
15 actual capital structure. For that reason, I recommend clarifying this issue with a
16 protective condition that would require that MAIT rule out inclusion of goodwill in
17 either the cost of service or ratemaking capital structure.

18 Q. WHAT IS THE ISSUE CONCERNING ROE?

19 A. Whether the transmission assets remain with JCP&L or are shifted to MAIT, the
20 authorized ROE will be set by FERC based upon that commission's process and
21 along with incentive adders that it may approve. For example, it would be reasonable
22 to assume that the approved ROE would include the PJM membership incentive adder
23 of 50 basis points regardless of which entity owns the assets. However, in the case of
24 MAIT ownership, there is at least the possibility of seeking and receiving an
25 additional incentive adder for "stand alone ownership", an adder that could not be

1 requested if the transmission assets were to remain with JCP&L. This would be an
2 extra and significant cost penalty for customers with no corresponding benefit.

3 Q. DOES MAIT INTEND TO SEEK SUCH AN ADDER?

4 A. That is not known at this time. In response to RCR-F-30, MAIT indicated that no
5 decision has been made as to whether it would seek such an adder, and in any event,
6 such an adder must be authorized by FERC to take effect. In addition, the response to
7 RCR-F-32 states that neither TrAILCo nor ATSI have thus far sought such a stand-
8 alone incentive adder. Thus, whether MAIT at some future time seeks and is
9 permitted to include such an adder in rates is not known at this time and is therefore a
10 risk to customers.

11 Q. IN LIGHT OF THIS ROE PROBLEM, WHAT DO YOU RECOMMEND?

12 A. I recommend a protective condition stating the MAIT agrees not to seek an ROE
13 incentive adder for stand-alone transmission operations or for that matter any ROE
14 incentive adder that JCP&L would not be entitled to receive. Such a condition would
15 help protect ratepayers against the future harm of the transfer causing a higher ROE.

16 Q. WHAT IS YOUR CONCERN REGARDING FORMULA RATES?

17 A. JCP&L's longstanding ratemaking practice is to use fixed rates for NITS. Moreover,
18 Petitioners state that the current NITS rate has been constant and has not changed
19 since it was implemented in 1998. Yet, with the formation of MAIT, FE intends to
20 implement formula rates, although it has not described the features of the formula
21 rates. (Response to RCR-F- 40) My understanding is that it has introduced formula
22 rates for JCP&L's transmission affiliate, ATSI. It appears that the plans for a massive
23 increase in transmission investment (i.e., \$3 billion as compared to a current MAIT
24 rate base of about \$900 million) and formula rates would imply a massive increase in
25 transmission rates over time.

1 Q. WHY DOES THE FORMATION OF MAIT IMPLY A NEED TO CHANGE
2 RATEMAKING PRACTICE?

3 A. That is not known since this issue has not been highlighted in the Petition or
4 supporting testimony. For example, it is not known whether FE would similarly seek
5 to move to formula rates if the transmission assets remain with the GPU legacy
6 utilities instead of MAIT. It is also not known how formula rates would affect
7 customers as compared to the status quo. Petitioners should attempt to clarify this
8 issue and its implications in their rebuttal testimony.

9 Q. IS THERE A PROTECTIVE CONDITION THAT COULD ADDRESS THIS
10 ISSUE?

11 A. It is difficult to tell since this issue at this point is unclear. However, one protective
12 condition that I would suggest would require MAIT to first seek BPU conceptual
13 approval of formula rates before filing such a request at FERC. This would give
14 MAIT an opportunity to demonstrate to the BPU that a switch to formula rates is in
15 the public interest. This issue and potential protective conditions are further
16 addressed by Rate Counsel witness Hempling.

17 Q. WHY DO YOU HAVE A CONCERN REGARDING FUTURE SALE OF
18 MAIT?

19 A. As discussed by Rate Counsel witness O'Donnell, the market value of transmission
20 greatly exceeds its book value. This may be in part because the FERC authorized rate
21 of return exceeds the utility cost of capital. This high valuation may induce FE at
22 some future time to monetize the value of MAIT through a sale, merger or spinoff
23 transaction. The effects on ratepayers of such a future transaction are, of course,
24 unknown, but there is certainly reason for concern over potential harms. For
25 example, this could involve a merger with or acquisition by an entity with a higher

1 cost structure, “negative synergies” for JCP&L if sold to a non-affiliate, service
2 quality issues, etc.

3 Q. DOES FE HAVE ANY PLANS AT THIS TIME FOR A FUTURE SALE,
4 MERGER OR SPIN OFF?

5 A. According to the response to RCR-F-35, there are no current plans or expectations for
6 a sale, merger or spin off involving MAIT. While that may be true, that certainly
7 does not take this issue and concern off the table because FE management at some
8 point could change its mind on this question as circumstances change. This is a
9 somewhat hypothetical but nonetheless important risk for ratepayers.

10 I note that this data response recognizes that assuming New Jersey public
11 utility status is granted to MAIT, the BPU maintains authority to approve or
12 disapprove a sale, merger or spin off involving MAIT. This authority must include
13 the ability of the BPU to condition any such transaction involving MAIT as it deems
14 appropriate to protect the public interest in New Jersey. Thus, even though
15 Petitioners seem to concede this authority, it would be helpful that it be codified in an
16 approval condition in this case. This would be helpful to ensure the BPU maintains
17 the necessary authority in the event of a legal dispute over jurisdiction.

18 Q. DO YOU HAVE ANY OTHER RECOMMENDATIONS FOR
19 PROTECTIVE CONDITIONS THAT MIGHT ACCOMPANY
20 APPROVAL?

21 A. Yes. I have recommended that JCP&L investigate ring fencing measures to be
22 implemented to improve its credit rating and strengthen its balance sheet as necessary
23 due to the extensive goodwill. I believe that the same recommendations may also be
24 applicable to MAIT since, like JCP&L, it is a subsidiary of FE. While it would be
25 premature to actually proceed with specific measures, I believe that the BPU should

1 have the authority to investigate the need for and potentially require MAIT to
2 implement ring-fencing measures. I note that MAIT also will have about \$500
3 million of goodwill on its balance sheet that presumably provides no cost recovery or
4 cash flow. This must not be permitted to impair its credit rating.

5 Finally, I have discussed the possibility (as noted recently by Moody's) that
6 the transfer of transmission assets to MAIT could harm JCP&L's credit quality. If
7 this were to occur, the BPU should be permitted to disallow any resulting cost of
8 capital premium or penalty from customer rates.

1 **V. THE AMENDED JOINT PETITION**

2 Q. HAVE YOU REVIEWED THE AMENDED PETITION?

3 A. Yes, I have.

4 Q. DOES THIS TRANSFER PROPOSAL PROVIDE ANY BENEFITS FOR
5 JCP&L CUSTOMERS?

6 A. No, it provides no intrinsic benefits for customers, nor is it intended to do so. Joint
7 Petitioners at this time propose transferring a small number of distribution customers
8 and related assets from JCP&L to MAIT. Unlike the transfer of transmission assets,
9 Joint Petitioners claim no benefits from this transfer beyond the assertion that it will
10 cure a legal deficiency in the original Petition, i.e., it is intended to address the
11 Board's ruling earlier this year that MAIT would not be a New Jersey utility. I take
12 no position on this legal question or the legal efficacy of the Joint Petitioners' alleged
13 cure.

14 Q. ARE THERE ANY DISADVANTAGES OR PROBLEMS WITH THE
15 DISTRIBUTION TRANSFER?

16 A. Yes, and I briefly mention these concerns in this section of my testimony. This is
17 discussed in greater detail in the testimony of other Rate Counsel witnesses.

18 Q. WILL MAIT'S DISTRIBUTION OPERATIONS BE LIMITED TO THE
19 CUSTOMERS AND ASSETS DESCRIBED IN ITS FILING?

20 A. This is unclear. Under this proposal, MAIT would not necessarily have a well-
21 defined geographic service territory that differs from that of JCP&L. (Response to
22 RCR-F-47.) Joint Petitioners seem to indicate that MAIT could add new customers
23 and distribution facilities as it deems appropriate, even though it has no defined plans
24 to do so today. In response to RCR-F-48, Joint Petitioners did not indicate any

1 limitations on its authority to add distribution customers or facilities in what is now
2 JCP&L's service territory.

3 Q. HOW WILL RATES BE SET FOR MAIT DISTRIBUTION CUSTOMERS?

4 A. MAIT initially simply adopts JCP&L's rates as its own without any cost of service
5 support or earnings justification. (Response to RCR-F-45.) In future JCP&L rate
6 cases, MAIT and JCP&L will use a combined rate base, with almost all of that rate
7 base obviously being that of JCP&L, for setting rates. Thus, it is fair to say that
8 MAIT's distribution rates will be based on the JCP&L cost of service and earnings,
9 not those of MAIT itself.

10 Q. WHAT RATE OF RETURN WILL MAIT EARN ON ITS DISTRIBUTION
11 SERVICE?

12 A. This is not known, nor apparently will it be tracked or reported over time under its
13 proposal. (Response to RCR-F-50.)

14 Q. WILL THE MAIT DISTRIBUTION SERVICE PROPOSAL IMPLICATE
15 ANY ADDITIONAL COSTS THAT ARE NOT PRESENT TODAY?

16 A. Presumably, there will be legal and administrative costs dealing with the myriad of
17 details associated with operating a new distribution utility, including the necessary
18 contractual arrangements (such as BGS-related wholesale generation supply and
19 maintenance agreements) between JCP&L and MAIT. After all, MAIT will merely
20 be a shell that owns some assets and bills the transferred (and possibly added)
21 distribution customers. These added legal and administrative expenses are not
22 known, nor is there any indication that they will be tracked. This means that it is
23 likely that they will be buried in the JCP&L cost of service and charged to JCP&L
24 customers.

1 Q. HAS MAIT IDENTIFIED ANY PRECEDENT FOR THIS CUSTOMER
2 TRANSFER AND RATEMAKING METHOD OF ADOPTING ANOTHER
3 UTILITY'S RATES?

4 A. This question was posed in RCR-F-52, and Joint Petitioners could cite no precedent.
5 The response merely asserts that JCP&L believes that the Board has the legal
6 authority to approve this proposal.

7 Q. DOES THE PROPOSAL CONTRIBUTE IN ANY WAY TO REDUCING
8 INTEREST EXPENSES OR IMPROVING ACCESS TO CAPITAL?

9 A. No, it does not. It adds complexity, possibly additional expense, and uncertainty to
10 the provisions of distribution service. This is further reason for the Board to reject the
11 Joint Petition.

12 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

13 A. Yes, it does.

**BEFORE THE STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**In the Matter of The Verified Petition of Jersey
Central Power & Light Company (“JCP&L”)
and Mid-Atlantic Interstate Transmission, LLC
(“MAIT”) for: (1) Approval of the Transfer of
JCP&L’s Transmission Assets to MAIT
Pursuant to N.J.S.A. 48:3-7; (2) Approval of a
Lease of JCP&L’s Real Property and Real
Property Rights Associated with its
Transmission Assets to MAIT Pursuant to
N.J.S.A. 48:3-7; (3) Approval of a Mutual
Assistance Agreement Pursuant to N.J.S.A. 48:3-
7; and (4) a Declaration that MAIT Will be
Deemed a Public Utility for, *inter alia*, the
Purposes of Siting Authority under N.J.S.A.
40:55D-1 9 and Eminent Domain Authority
Pursuant to N.J.S.A. 48:3-17.6 *et seq.***

and

**In the Matter of the Verified Petition of Jersey
Central Power & Light Company for
Authorization Pursuant to N.J.S.A. 48:3-7.2 for
Approval to Participate in the FirstEnergy Corp.
Intrasystem Money Pool – Amendment No. 8**

**BPU DOCKET NOS. EM15060733 and
EF02030185**

**SCHEDULES ACCOMPANYING THE
DIRECT TESTIMONY OF
MATTHEW I. KAHAL
ON BEHALF OF THE
DIVISION OF RATE COUNSEL**

**STEFANIE A. BRAND, ESQ.
DIRECTOR, DIVISION OF RATE COUNSEL
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, New Jersey 08625
Phone: 609-984-1460
Email: njratepayer@rpa.state.nj.us**

Filed: August 12, 2016

JERSEY CENTRAL POWER & LIGHT COMPANY

Illustrative Calculation of MAIT Interest Expense Savings
(millions of dollars)

<u>Year</u>	<u>Debt Issue</u>	<u>Interest Expense Savings</u>			<u>Total Savings</u>
		<u>Debt Issue #1</u>	<u>Debt Issue #2</u>	<u>Debt Issue #3</u>	
1					\$0
2	\$500 (Issue #1)				\$0
3		\$1.5			\$1.5
4		\$1.5			\$1.5
5	\$500 (Issue #1)	\$1.5			\$1.5
6		\$1.5	\$1.5		\$3.0
7		\$1.5	\$1.5		\$3.0
8	\$500 (Issue #1)	\$1.5	\$1.5		\$3.0
9		\$1.5	\$1.5	\$1.5	\$4.5
10		\$1.5	\$1.5	\$1.5	\$4.5
TOTAL	\$1,500	\$12.0	\$7.5	\$3.0	\$22.5

Assumptions: \$500 million of debt issued at the end of years 2, 5, and 8. Savings based on 0.3% of debt balance. JCP&L's share of the MAIT savings is 50% or about \$11.3 million over 10 years.

APPENDIX A

QUALIFICATIONS OF MATTHEW I. KAHAL

MATTHEW I. KAHAL

Since 2001, Mr. Kahal has worked as an independent consulting economist, specializing in energy economics, public utility regulation, and utility financial studies. Over the past three decades, his work has encompassed electric utility integrated resource planning (IRP), power plant licensing, environmental compliance, and utility financial issues. In the financial area, he has conducted numerous cost of capital studies and addressed other financial issues for electric, gas, telephone, and water utilities. Mr. Kahal's work in recent years has expanded to electric power markets, mergers, and various aspects of regulation.

Mr. Kahal has provided expert testimony in more than 400 cases before state and federal regulatory commissions, federal courts, and the U.S. Congress. His testimony has covered need for power, integrated resource planning, cost of capital, purchased power practices and contracts, merger economics, industry restructuring, and various other regulatory and public policy issues.

Education

B.A. (Economics) – University of Maryland, 1971

M.A. (Economics) – University of Maryland, 1974

Ph.D. candidacy – University of Maryland, completed all course work and qualifying examinations.

Previous Employment

1981-2001 Founding Principal, Vice President, and President
Exeter Associates, Inc.
Columbia, MD

1980-1981 Member of the Economic Evaluation Directorate
The Aerospace Corporation
Washington, D.C.

1977-1980 Consulting Economist
Washington, D.C. consulting firm

1972-1977 Research/Teaching Assistant and Instructor (part time)
Department of Economics, University of Maryland (College Park)
Lecturer in Business and Economics
Montgomery College (Rockville and Takoma Park, MD)

Professional Experience

Mr. Kahal has more than thirty-five years' experience managing and conducting consulting assignments relating to public utility economics and regulation. In 1981, he and five colleagues founded the firm of Exeter Associates, Inc., and for the next 20 years he served as a Principal and corporate officer of the firm. During that time, he supervised multi-million dollar support contracts with the State of Maryland and directed the technical work conducted by both Exeter professional staff and numerous subcontractors. Additionally, Mr. Kahal took the lead role at Exeter in consulting to the firm's other governmental and private clients in the areas of financial analysis, utility mergers, electric restructuring, and utility purchase power contracts.

At the Aerospace Corporation, Mr. Kahal served as an economic consultant to the Strategic Petroleum Reserve (SPR). In that capacity, he participated in a detailed financial assessment of the SPR, and developed an econometric forecasting model of U.S. petroleum industry inventories. That study has been used to determine the extent to which private sector petroleum stocks can be expected to protect the U.S. from the impacts of oil import interruptions.

Before entering consulting, Mr. Kahal held faculty positions with the Department of Economics at the University of Maryland and with Montgomery College, teaching courses on economic principles, business, and economic development.

Publications and Consulting Reports

Projected Electric Power Demands of the Baltimore Gas and Electric Company, Maryland Power Plant Siting Program, 1979.

Projected Electric Power Demands of the Allegheny Power System, Maryland Power Plant Siting Program, January 1980.

An Econometric Forecast of Electric Energy and Peak Demand on the Delmarva Peninsula, Maryland Power Plant Siting Program, March 1980 (with Ralph E. Miller).

A Benefit/Cost Methodology of the Marginal Cost Pricing of Tennessee Valley Authority Electricity, prepared for the Board of Directors of the Tennessee Valley Authority, April 1980.

An Evaluation of the Delmarva Power and Light Company Generating Capacity Profile and Expansion Plan, (Interim Report), prepared for the Delaware Office of the Public Advocate, July 1980 (with Sharon L. Mason).

Rhode Island-DOE Electric Utilities Demonstration Project, Third Interim Report on Preliminary Analysis of the Experimental Results, prepared for the Economic Regulatory Administration, U.S. Department of Energy, July 1980.

Petroleum Inventories and the Strategic Petroleum Reserve, The Aerospace Corporation, prepared for the Strategic Petroleum Reserve Office, U.S. Department of Energy, December 1980.

Alternatives to Central Station Coal and Nuclear Power Generation, prepared for Argonne National Laboratory and the Office of Utility Systems, U.S. Department of Energy, August 1981.

“An Econometric Methodology for Forecasting Power Demands,” Conducting Need-for-Power Review for Nuclear Power Plants (D.A. Nash, ed.), U.S. Nuclear Regulatory Commission, NUREG-0942, December 1982.

State Regulatory Attitudes Toward Fuel Expense Issues, prepared for the Electric Power Research Institute, July 1983 (with Dale E. Swan).

“Problems in the Use of Econometric Methods in Load Forecasting,” Adjusting to Regulatory, Pricing and Marketing Realities (Harry Trebing, ed.), Institute of Public Utilities, Michigan State University, 1983.

Proceedings of the Maryland Conference on Electric Load Forecasting (editor and contributing author), Maryland Power Plant Siting Program, PPES-83-4, October 1983.

“The Impacts of Utility-Sponsored Weatherization Programs: The Case of Maryland Utilities” (with others), in Government and Energy Policy (Richard L. Itteilag, ed.), 1983.

Power Plant Cumulative Environmental Impact Report, contributing author (Paul E. Miller, ed.) Maryland Department of Natural Resources, January 1984.

Projected Electric Power Demands for the Potomac Electric Power Company, three volumes (with Steven L. Estomin), prepared for the Maryland Power Plant Siting Program, March 1984.

“An Assessment of the State-of-the-Art of Gas Utility Load Forecasting” (with Thomas Bacon, Jr. and Steven L. Estomin), published in the Proceedings of the Fourth NARUC Biennial Regulatory Information Conference, 1984.

“Nuclear Power and Investor Perceptions of Risk” (with Ralph E. Miller), published in The Energy Industries in Transition: 1985-2000 (John P. Weyant and Dorothy Sheffield, eds.), 1984.

The Financial Impact of Potential Department of Energy Rate Recommendations on the Commonwealth Edison Company, prepared for the U.S. Department of Energy, October 1984.

“Discussion Comments,” published in Impact of Deregulation and Market Forces on Public Utilities: The Future of Regulation (Harry Trebing, ed.), Institute of Public Utilities, Michigan State University, 1985.

An Econometric Forecast of the Electric Power Loads of Baltimore Gas and Electric Company, two volumes (with others), prepared for the Maryland Power Plant Siting Program, 1985.

A Survey and Evaluation of Demand Forecast Methods in the Gas Utility Industry, prepared for the Public Utilities Commission of Ohio, Forecasting Division, November 1985 (with Terence Manuel).

A Review and Evaluation of the Load Forecasts of Houston Lighting & Power Company and Central Power & Light Company – Past and Present, prepared for the Texas Public Utility Commission, December 1985 (with Marvin H. Kahn).

Power Plant Cumulative Environmental Impact Report for Maryland, principal author of three of the eight chapters in the report (Paul E. Miller, ed.), PPSP-CEIR-5, March 1986.

“Potential Emissions Reduction from Conservation, Load Management, and Alternative Power,” published in Acid Deposition in Maryland: A Report to the Governor and General Assembly, Maryland Power Plant Research Program, AD-87-1, January 1987.

Determination of Retrofit Costs at the Oyster Creek Nuclear Generating Station, March 1988, prepared for Versar, Inc., New Jersey Department of Environmental Protection.

Excess Deferred Taxes and the Telephone Utility Industry, April 1988, prepared on behalf of the National Association of State Utility Consumer Advocates.

Toward a Proposed Federal Policy for Independent Power Producers, comments prepared on behalf of the Indiana Consumer Counselor, FERC Docket EL87-67-000, November 1987.

Review and Discussion of Regulations Governing Bidding Programs, prepared for the Pennsylvania Office of Consumer Advocate, June 1988.

A Review of the Proposed Revisions to the FERC Administrative Rules on Avoided Costs and Related Issues, prepared for the Pennsylvania Office of Consumer Advocate, April 1988.

Review and Comments on the FERC NOPR Concerning Independent Power Producers, prepared for the Pennsylvania Office of Consumer Advocate, June 1988.

The Costs to Maryland Utilities and Ratepayers of an Acid Rain Control Strategy – An Updated Analysis, prepared for the Maryland Power Plant Research Program, October 1987, AD-88-4.

“Comments,” in New Regulatory and Management Strategies in a Changing Market Environment (Harry M. Trebing and Patrick C. Mann, editors), Proceedings of the Institute of Public Utilities Eighteenth Annual Conference, 1987.

Electric Power Resource Planning for the Potomac Electric Power Company, prepared for the Maryland Power Plant Research Program, July 1988.

Power Plant Cumulative Environmental Impact Report for Maryland (Thomas E. Magette, ed.), authored two chapters, November 1988, PPRP-CEIR-6.

Resource Planning and Competitive Bidding for Delmarva Power & Light Company, October 1990, prepared for the Maryland Department of Natural Resources (with M. Fullenbaum).

Electric Power Rate Increases and the Cleveland Area Economy, prepared for the Northeast Ohio Areawide Coordinating Agency, October 1988.

An Economic and Need for Power Evaluation of Baltimore Gas & Electric Company's Perryman Plant, May 1991, prepared for the Maryland Department of Natural Resources (with M. Fullenbaum).

The Cost of Equity Capital for the Bell Local Exchange Companies in a New Era of Regulation, October 1991, presented at the Atlantic Economic Society 32nd Conference, Washington, D.C.

A Need for Power Review of Delmarva Power & Light Company's Dorchester Unit 1 Power Plant, March 1993, prepared for the Maryland Department of National Resources (with M. Fullenbaum).

The AES Warrior Run Project: Impact on Western Maryland Economic Activity and Electric Rates, February 1993, prepared for the Maryland Power Plant Research Program (with Peter Hall).

An Economic Perspective on Competition and the Electric Utility Industry, November 1994, prepared for the Electric Consumers' Alliance.

PEPCO's Clean Air Act Compliance Plan: Status Report, prepared for the Maryland Power Plant Research Plan, January 1995 (w/Diane Mountain, Environmental Resources Management, Inc.).

The FERC Open Access Rulemaking: A Review of the Issues, prepared for the Indiana Office of Utility Consumer Counselor and the Pennsylvania Office of Consumer Advocate, June 1995.

A Status Report on Electric Utility Restructuring: Issues for Maryland, prepared for the Maryland Power Plant Research Program, November 1995 (with Daphne Psacharopoulos).

Modeling the Financial Impacts on the Bell Regional Holding Companies from Changes in Access Rates, prepared for MCI Corporation, May 1996.

The CSEF Electric Deregulation Study: Economic Miracle or the Economists' Cold Fusion?, prepared for the Electric Consumers' Alliance, Indianapolis, Indiana, October 1996.

Reducing Rates for Interstate Access Service: Financial Impacts on the Bell Regional Holding Companies, prepared for MCI Corporation, May 1997.

The New Hampshire Retail Competition Pilot Program: A Preliminary Evaluation, July 1997, prepared for the Electric Consumers' Alliance (with Jerome D. Mierzwa).

Electric Restructuring and the Environment: Issue Identification for Maryland, March 1997, prepared for the Maryland Power Plant Research Program (with Environmental Resource Management, Inc.).

An Analysis of Electric Utility Embedded Power Supply Costs, prepared for Power-Gen International Conference, Dallas, Texas, December 1997.

Market Power Outlook for Generation Supply in Louisiana, December 2000, prepared for the Louisiana Public Service Commission (with others).

A Review of Issues Concerning Electric Power Capacity Markets, prepared for the Maryland Power Plant Research Program, December 2001 (with B. Hobbs and J. Inon).

The Economic Feasibility of Air Emissions Controls at the Brandon Shores and Morgantown Coal-fired Power Plants, February 2005 (prepared for the Chesapeake Bay Foundation).

The Economic Feasibility of Power Plant Retirements on the Entergy System, September 2005, with Phil Hayet (prepared for the Louisiana Public Service Commission).

Expert Report on Capital Structure, Equity and Debt Costs, prepared for the Edmonton Regional Water Customers Group, August 30, 2006.

Maryland's Options to Reduce and Stabilize Electric Power Prices Following Restructuring, with Steven L. Estomin, prepared for the Power Plant Research Program, Maryland Department of Natural Resources, September 2006.

Expert Report of Matthew I. Kahal, on behalf of the U. S. Department of Justice, August 2008, Civil Action No. IP-99-1693C-MIS.

Conference and Workshop Presentations

Workshop on State Load Forecasting Programs, sponsored by the Nuclear Regulatory Commission and Oak Ridge National Laboratory, February 1982 (presentation on forecasting methodology).

Fourteenth Annual Conference of the Michigan State University Institute for Public Utilities, December 1982 (presentation on problems in forecasting).

Conference on Conservation and Load Management, sponsored by the Massachusetts Energy Facilities Siting Council, May 1983 (presentation on cost-benefit criteria).

Maryland Conference on Load Forecasting, sponsored by the Maryland Power Plant Siting Program and the Maryland Public Service Commission, June 1983 (presentation on overforecasting power demands).

The 5th Annual Meetings of the International Association of Energy Economists, June 1983 (presentation on evaluating weatherization programs).

The NARUC Advanced Regulatory Studies Program (presented lectures on capacity planning for electric utilities), February 1984.

The 16th Annual Conference of the Institute of Public Utilities, Michigan State University (discussant on phase-in and excess capacity), December 1984.

U.S. Department of Energy Utilities Conference, Las Vegas, Nevada (presentation of current and future regulatory issues), May 1985.

The 18th Annual Conference of the Institute of Public Utilities, Michigan State University, Williamsburg, Virginia, December 1986 (discussant on cogeneration).

The NRECA Conference on Load Forecasting, sponsored by the National Rural Electric Cooperative Association, New Orleans, Louisiana, December 1987 (presentation on load forecast accuracy).

The Second Rutgers/New Jersey Department of Commerce Annual Conference on Energy Policy in the Middle Atlantic States, Rutgers University, April 1988 (presentation on spot pricing of electricity).

The NASUCA 1988 Mid-Year Meeting, Annapolis, Maryland, June 1988, sponsored by the National Association of State Utility Consumer Advocates (presentation on the FERC electricity avoided cost NOPRs).

The Thirty-Second Atlantic Economic Society Conference, Washington, D.C., October 1991 (presentation of a paper on cost of capital issues for the Bell Operating Companies).

The NASUCA 1993 Mid-Year Meeting, St. Louis, Missouri, sponsored by the National Association of State Utility Consumer Advocates, June 1993 (presentation on regulatory issues concerning electric utility mergers).

The NASUCA and NARUC annual meetings in New York City, November 1993 (presentations and panel discussions on the emerging FERC policies on transmission pricing).

The NASUCA annual meetings in Reno, Nevada, November 1994 (presentation concerning the FERC NOPR on stranded cost recovery).

U.S. Department of Energy Utilities/Energy Management Workshop, March 1995 (presentation concerning electric utility competition).

The 1995 NASUCA Mid-Year Meeting, Breckenridge, Colorado, June 1995 (presentation concerning the FERC rulemaking on electric transmission open access).

The 1996 NASUCA Mid-Year Meeting, Chicago, Illinois, June 1996 (presentation concerning electric utility merger issues).

Conference on “Restructuring the Electric Industry,” sponsored by the National Consumers League and Electric Consumers Alliance, Washington, D.C., May 1997 (presentation on retail access pilot programs).

The 1997 Mid-Atlantic Conference of Regulatory Utilities Commissioners (MARUC), Hot Springs, Virginia, July 1997 (presentation concerning electric deregulation issues).

Power-Gen ‘97 International Conference, Dallas, Texas, December 1997 (presentation concerning utility embedded costs of generation supply).

Consumer Summit on Electric Competition, sponsored by the National Consumers League and Electric Consumers’ Alliance, Washington, D.C., March 2001 (presentation concerning generation supply and reliability).

National Association of State Utility Consumer Advocates, Mid-Year Meetings, Austin, Texas, June 16-17, 2002 (presenter and panelist on RTO/Standard Market Design issues).

Louisiana State Bar Association, Public Utility Section, Baton Rouge, Louisiana, October 2, 2002 (presentation on Performance-Based Ratemaking and panelist on RTO issues).

Virginia State Corporation Commission/Virginia State Bar, Twenty-Second National Regulatory Conference, Williamsburg, Virginia, May 10, 2004 (presentation on Electric Transmission System Planning).

Expert Testimony
of Matthew I. Kahal

	<u>Docket Number</u>	<u>Utility</u>	<u>Jurisdiction</u>	<u>Client</u>	<u>Subject</u>
1.	27374 & 27375 October 1978	Long Island Lighting Company	New York Counties	Nassau & Suffolk	Economic Impacts of Proposed Rate Increase
2.	6807 January 1978	Generic	Maryland	MD Power Plant Siting Program	Load Forecasting
3.	78-676-EL-AIR February 1978	Ohio Power Company	Ohio	Ohio Consumers' Counsel	Test Year Sales and Revenues
4.	17667 May 1979	Alabama Power Company	Alabama	Attorney General	Test Year Sales, Revenues, Costs, and Load Forecasts
5.	None April 1980	Tennessee Valley Authority	TVA Board	League of Women Voters	Time-of-Use Pricing
6.	R-80021082	West Penn Power Company	Pennsylvania	Office of Consumer Advocate	Load Forecasting, Marginal Cost pricing
7.	7259 (Phase I) October 1980	Potomac Edison Company	Maryland	MD Power Plant Siting Program	Load Forecasting
8.	7222 December 1980	Delmarva Power & Light Company	Maryland	MD Power Plant Siting Program	Need for Plant, Load Forecasting
9.	7441 June 1981	Potomac Electric Power Company	Maryland	Commission Staff	PURPA Standards
10.	7159 May 1980	Baltimore Gas & Electric	Maryland	Commission Staff	Time-of-Use Pricing
11.	81-044-E-42T	Monongahela Power	West Virginia	Commission Staff	Time-of-Use Rates
12.	7259 (Phase II) November 1981	Potomac Edison Company	Maryland	MD Power Plant Siting Program	Load Forecasting, Load Management
13.	1606 September 1981	Blackstone Valley Electric and Narragansett	Rhode Island	Division of Public Utilities	PURPA Standards
14.	RID 1819 April 1982	Pennsylvania Bell	Pennsylvania	Office of Consumer Advocate	Rate of Return
15.	82-0152 July 1982	Illinois Power Company	Illinois	U.S. Department of Defense	Rate of Return, CWIP

Expert Testimony
of Matthew I. Kahal

	<u>Docket Number</u>	<u>Utility</u>	<u>Jurisdiction</u>	<u>Client</u>	<u>Subject</u>
16.	7559 September 1982	Potomac Edison Company	Maryland	Commission Staff	Cogeneration
17.	820150-EU September 1982	Gulf Power Company	Florida	Federal Executive Agencies	Rate of Return, CWIP
18.	82-057-15 January 1983	Mountain Fuel Supply Company	Utah	Federal Executive Agencies	Rate of Return, Capital Structure
19.	5200 August 1983	Texas Electric Service Company	Texas	Federal Executive Agencies	Cost of Equity
20.	28069 August 1983	Oklahoma Natural Gas	Oklahoma	Federal Executive Agencies	Rate of Return, deferred taxes, capital structure, attrition
21.	83-0537 February 1984	Commonwealth Edison Company	Illinois	U.S. Department of Energy	Rate of Return, capital structure, financial capability
22.	84-035-01 June 1984	Utah Power & Light Company	Utah	Federal Executive Agencies	Rate of Return
23.	U-1009-137 July 1984	Utah Power & Light Company	Idaho	U.S. Department of Energy	Rate of Return, financial condition
24.	R-842590 August 1984	Philadelphia Electric Company	Pennsylvania	Office of Consumer Advocate	Rate of Return
25.	840086-EI August 1984	Gulf Power Company	Florida	Federal Executive Agencies	Rate of Return, CWIP
26.	84-122-E August 1984	Carolina Power & Light Company	South Carolina	South Carolina Consumer Advocate	Rate of Return, CWIP, load forecasting
27.	CGC-83-G & CGC-84-G October 1984	Columbia Gas of Ohio	Ohio	Ohio Division of Energy	Load forecasting
28.	R-842621 October 1984	Western Pennsylvania Water Company	Pennsylvania	Office of Consumer Advocate	Test year sales
29.	R-842710 January 1985	ALL TEL Pennsylvania Inc.	Pennsylvania	Office of Consumer Advocate	Rate of Return
30.	ER-504 February 1985	Allegheny Generating Company	FERC	Office of Consumer Advocate	Rate of Return

Expert Testimony
of Matthew I. Kahal

	<u>Docket Number</u>	<u>Utility</u>	<u>Jurisdiction</u>	<u>Client</u>	<u>Subject</u>
31.	R-842632 March 1985	West Penn Power Company	Pennsylvania	Office of Consumer Advocate	Rate of Return, conservation, time-of-use rates
32.	83-0537 & 84-0555 April 1985	Commonwealth Edison Company	Illinois	U.S. Department of Energy	Rate of Return, incentive rates, rate base
33.	Rulemaking Docket No. 11, May 1985	Generic	Delaware	Delaware Commission Staff	Interest rates on refunds
34.	29450 July 1985	Oklahoma Gas & Electric Company	Oklahoma	Oklahoma Attorney General	Rate of Return, CWIP in rate base
35.	1811 August 1985	Bristol County Water Company	Rhode Island	Division of Public Utilities	Rate of Return, capital Structure
36.	R-850044 & R-850045 August 1985	Quaker State & Continental Telephone Companies	Pennsylvania	Office of Consumer Advocate	Rate of Return
37.	R-850174 November 1985	Philadelphia Suburban Water Company	Pennsylvania	Office of Consumer Advocate	Rate of Return, financial conditions
38.	U-1006-265 March 1986	Idaho Power Company	Idaho	U.S. Department of Energy	Power supply costs and models
39.	EL-86-37 & EL-86-38 September 1986	Allegheny Generating Company	FERC	PA Office of Consumer Advocate	Rate of Return
40.	R-850287 June 1986	National Fuel Gas Distribution Corp.	Pennsylvania	Office of Consumer Advocate	Rate of Return
41.	1849 August 1986	Blackstone Valley Electric	Rhode Island	Division of Public Utilities	Rate of Return, financial condition
42.	86-297-GA-AIR November 1986	East Ohio Gas Company	Ohio	Ohio Consumers' Counsel	Rate of Return
43.	U-16945 December 1986	Louisiana Power & Light Company	Louisiana	Public Service Commission	Rate of Return, rate phase-in plan
44.	Case No. 7972 February 1987	Potomac Electric Power Company	Maryland	Commission Staff	Generation capacity planning, purchased power contract
45.	EL-86-58 & EL-86-59 March 1987	System Energy Resources and Middle South Services	FERC	Louisiana PSC	Rate of Return

Expert Testimony
of Matthew I. Kahal

	<u>Docket Number</u>	<u>Utility</u>	<u>Jurisdiction</u>	<u>Client</u>	<u>Subject</u>
46.	ER-87-72-001 April 1987	Orange & Rockland	FERC	PA Office of Consumer Advocate	Rate of Return
47.	U-16945 April 1987	Louisiana Power & Light Company	Louisiana	Commission Staff	Revenue requirement update phase-in plan
48.	P-870196 May 1987	Pennsylvania Electric Company	Pennsylvania	Office of Consumer Advocate	Cogeneration contract
49.	86-2025-EL-AIR June 1987	Cleveland Electric Illuminating Company	Ohio	Ohio Consumers' Counsel	Rate of Return
50.	86-2026-EL-AIR June 1987	Toledo Edison Company	Ohio	Ohio Consumers' Counsel	Rate of Return
51.	87-4 June 1987	Delmarva Power & Light Company	Delaware	Commission Staff	Cogeneration/small power
52.	1872 July 1987	Newport Electric Company	Rhode Island	Commission Staff	Rate of Return
53.	WO 8606654 July 1987	Atlantic City Sewerage Company	New Jersey	Resorts International	Financial condition
54.	7510 August 1987	West Texas Utilities Company	Texas	Federal Executive Agencies	Rate of Return, phase-in
55.	8063 Phase I October 1987	Potomac Electric Power Company	Maryland	Power Plant Research Program	Economics of power plant site selection
56.	00439 November 1987	Oklahoma Gas & Electric Company	Oklahoma	Smith Cogeneration	Cogeneration economics
57.	RP-87-103 February 1988	Panhandle Eastern Pipe Line Company	FERC	Indiana Utility Consumer Counselor	Rate of Return
58.	EC-88-2-000 February 1988	Utah Power & Light Co. PacifiCorp	FERC	Nucor Steel	Merger economics
59.	87-0427 February 1988	Commonwealth Edison Company	Illinois	Federal Executive Agencies	Financial projections
60.	870840 February 1988	Philadelphia Suburban Water Company	Pennsylvania	Office of Consumer Advocate	Rate of Return

Expert Testimony
of Matthew I. Kahal

	<u>Docket Number</u>	<u>Utility</u>	<u>Jurisdiction</u>	<u>Client</u>	<u>Subject</u>
61.	870832 March 1988	Columbia Gas of Pennsylvania	Pennsylvania	Office of Consumer Advocate	Rate of Return
62.	8063 Phase II July 1988	Potomac Electric Power Company	Maryland	Power Plant Research Program	Power supply study
63.	8102 July 1988	Southern Maryland Electric Cooperative	Maryland	Power Plant Research Program	Power supply study
64.	10105 August 1988	South Central Bell Telephone Co.	Kentucky	Attorney General	Rate of Return, incentive regulation
65.	00345 August 1988	Oklahoma Gas & Electric Company	Oklahoma	Smith Cogeneration	Need for power
66.	U-17906 September 1988	Louisiana Power & Light Company	Louisiana	Commission Staff	Rate of Return, nuclear power costs Industrial contracts
67.	88-170-EL-AIR October 1988	Cleveland Electric Illuminating Co.	Ohio	Northeast-Ohio Areawide Coordinating Agency	Economic impact study
68.	1914 December 1988	Providence Gas Company	Rhode Island	Commission Staff	Rate of Return
69.	U-12636 & U-17649 February 1989	Louisiana Power & Light Company	Louisiana	Commission Staff	Disposition of litigation proceeds
70.	00345 February 1989	Oklahoma Gas & Electric Company	Oklahoma	Smith Cogeneration	Load forecasting
71.	RP88-209 March 1989	Natural Gas Pipeline of America	FERC	Indiana Utility Consumer Counselor	Rate of Return
72.	8425 March 1989	Houston Lighting & Power Company	Texas	U.S. Department of Energy	Rate of Return
73.	EL89-30-000 April 1989	Central Illinois Public Service Company	FERC	Soyland Power Coop, Inc.	Rate of Return
74.	R-891208 May 1989	Pennsylvania American Water Company	Pennsylvania	Office of Consumer Advocate	Rate of Return

Expert Testimony
of Matthew I. Kahal

	<u>Docket Number</u>	<u>Utility</u>	<u>Jurisdiction</u>	<u>Client</u>	<u>Subject</u>
75.	89-0033 May 1989	Illinois Bell Telephone Company	Illinois	Citizens Utility Board	Rate of Return
76.	881167-EI May 1989	Gulf Power Company	Florida	Federal Executive Agencies	Rate of Return
77.	R-891218 July 1989	National Fuel Gas Distribution Company	Pennsylvania	Office of Consumer Advocate	Sales forecasting
78.	8063, Phase III Sept. 1989	Potomac Electric Power Company	Maryland	Depart. Natural Resources	Emissions Controls
79.	37414-S2 October 1989	Public Service Company of Indiana	Indiana	Utility Consumer Counselor	Rate of Return, DSM, off- system sales, incentive regulation
80.	October 1989	Generic	U.S. House of Reps. Comm. on Ways & Means	N/A	Excess deferred income tax
81.	38728 November 1989	Indiana Michigan Power Company	Indiana	Utility Consumer Counselor	Rate of Return
82.	RP89-49-000 December 1989	National Fuel Gas Supply Corporation	FERC	PA Office of Consumer Advocate	Rate of Return
83.	R-891364 December 1989	Philadelphia Electric Company	Pennsylvania	PA Office of Consumer Advocate	Financial impacts (surrebuttal only)
84.	RP89-160-000 January 1990	Trunkline Gas Company	FERC	Indiana Utility Consumer Counselor	Rate of Return
85.	EL90-16-000 November 1990	System Energy Resources, Inc.	FERC	Louisiana Public Service Commission	Rate of Return
86.	89-624 March 1990	Bell Atlantic	FCC	PA Office of Consumer Advocate	Rate of Return
87.	8245 March 1990	Potomac Edison Company	Maryland	Depart. Natural Resources	Avoided Cost
88.	000586 March 1990	Public Service Company of Oklahoma	Oklahoma	Smith Cogeneration Mgmt.	Need for Power

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89.	38868 March 1990	Indianapolis Water Company	Indiana	Utility Consumer Counselor	Rate of Return
90.	1946 March 1990	Blackstone Valley Electric Company	Rhode Island	Division of Public Utilities	Rate of Return
91.	000776 April 1990	Oklahoma Gas & Electric Company	Oklahoma	Smith Cogeneration Mgmt.	Need for Power
92.	890366 May 1990, December 1990	Metropolitan Edison Company	Pennsylvania	Office of Consumer Advocate	Competitive Bidding Program Avoided Costs
93.	EC-90-10-000 May 1990	Northeast Utilities	FERC	Maine PUC, et al.	Merger, Market Power, Transmission Access
94.	ER-891109125 July 1990	Jersey Central Power & Light	New Jersey	Rate Counsel	Rate of Return
95.	R-901670 July 1990	National Fuel Gas Distribution Corp.	Pennsylvania	Office of Consumer Advocate	Rate of Return Test year sales
96.	8201 October 1990	Delmarva Power & Light Company	Maryland	Depart. Natural Resources	Competitive Bidding, Resource Planning
97.	EL90-45-000 April 1991	Entergy Services, Inc.	FERC	Louisiana PSC	Rate of Return
98.	GR90080786J January 1991	New Jersey Natural Gas	New Jersey	Rate Counsel	Rate of Return
99.	90-256 January 1991	South Central Bell Telephone Company	Kentucky	Attorney General	Rate of Return
100.	U-17949A February 1991	South Central Bell Telephone Company	Louisiana	Louisiana PSC	Rate of Return
101.	ER90091090J April 1991	Atlantic City Electric Company	New Jersey	Rate Counsel	Rate of Return
102.	8241, Phase I April 1991	Baltimore Gas & Electric Company	Maryland	Dept. of Natural Resources	Environmental controls

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103.	8241, Phase II May 1991	Baltimore Gas & Electric Company	Maryland	Dept. of Natural Resources	Need for Power, Resource Planning
104.	39128 May 1991	Indianapolis Water Company	Indiana	Utility Consumer Counselor	Rate of Return, rate base, financial planning
105.	P-900485 May 1991	Duquesne Light Company	Pennsylvania	Office of Consumer Advocate	Purchased power contract and related ratemaking
106.	G900240 P910502 May 1991	Metropolitan Edison Company Pennsylvania Electric Company	Pennsylvania	Office of Consumer Advocate	Purchased power contract and related ratemaking
107.	GR901213915 May 1991	Elizabethtown Gas Company	New Jersey	Rate Counsel	Rate of Return
108.	91-5032 August 1991	Nevada Power Company	Nevada	U.S. Dept. of Energy	Rate of Return
109.	EL90-48-000 November 1991	Entergy Services	FERC	Louisiana PSC	Capacity transfer
110.	000662 September 1991	Southwestern Bell Telephone	Oklahoma	Attorney General	Rate of Return
111.	U-19236 October 1991	Arkansas Louisiana Gas Company	Louisiana	Louisiana PSC Staff	Rate of Return
112.	U-19237 December 1991	Louisiana Gas Service Company	Louisiana	Louisiana PSC Staff	Rate of Return
113.	ER91030356J October 1991	Rockland Electric Company	New Jersey	Rate Counsel	Rate of Return
114.	GR91071243J February 1992	South Jersey Gas Company	New Jersey	Rate Counsel	Rate of Return
115.	GR91081393J March 1992	New Jersey Natural Gas Company	New Jersey	Rate Counsel	Rate of Return
116.	P-870235, et al. March 1992	Pennsylvania Electric Company	Pennsylvania	Office of Consumer Advocate	Cogeneration contracts

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117.	8413 March 1992	Potomac Electric Power Company	Maryland	Dept. of Natural Resources	IPP purchased power contracts
118.	39236 March 1992	Indianapolis Power & Light Company	Indiana	Utility Consumer Counselor	Least-cost planning Need for power
119.	R-912164 April 1992	Equitable Gas Company	Pennsylvania	Office of Consumer Advocate	Rate of Return
120.	ER-91111698J May 1992	Public Service Electric & Gas Company	New Jersey	Rate Counsel	Rate of Return
121.	U-19631 June 1992	Trans Louisiana Gas Company	Louisiana	PSC Staff	Rate of Return
122.	ER-91121820J July 1992	Jersey Central Power & Light Company	New Jersey	Rate Counsel	Rate of Return
123.	R-00922314 August 1992	Metropolitan Edison Company	Pennsylvania	Office of Consumer Advocate	Rate of Return
124.	92-049-05 September 1992	US West Communications	Utah	Committee of Consumer Services	Rate of Return
125.	92PUE0037 September 1992	Commonwealth Gas Company	Virginia	Attorney General	Rate of Return
126.	EC92-21-000 September 1992	Entergy Services, Inc.	FERC	Louisiana PSC	Merger Impacts (Affidavit)
127.	ER92-341-000 December 1992	System Energy Resources	FERC	Louisiana PSC	Rate of Return
128.	U-19904 November 1992	Louisiana Power & Light Company	Louisiana	Staff	Merger analysis, competition competition issues
129.	8473 November 1992	Baltimore Gas & Electric Company	Maryland	Dept. of Natural Resources	QF contract evaluation
130.	IPC-E-92-25 January 1993	Idaho Power Company	Idaho	Federal Executive Agencies	Power Supply Clause

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131. E002/GR-92-1185 February 1993	Northern States Power Company	Minnesota	Attorney General	Rate of Return
132. 92-102, Phase II March 1992	Central Maine Power Company	Maine	Staff	QF contracts prudence and procurements practices
133. EC92-21-000 March 1993	Entergy Corporation	FERC	Louisiana PSC	Merger Issues
134. 8489 March 1993	Delmarva Power & Light Company	Maryland	Dept. of Natural Resources	Power Plant Certification
135. 11735 April 1993	Texas Electric Utilities Company	Texas	Federal Executives Agencies	Rate of Return
136. 2082 May 1993	Providence Gas Company	Rhode Island	Division of Public Utilities	Rate of Return
137. P-00930715 December 1993	Bell Telephone Company of Pennsylvania	Pennsylvania	Office of Consumer Advocate	Rate of Return, Financial Projections, Bell/TCI merger
138. R-00932670 February 1994	Pennsylvania-American Water Company	Pennsylvania	Office of Consumer Advocate	Rate of Return
139. 8583 February 1994	Conowingo Power Company	Maryland	Dept. of Natural Resources	Competitive Bidding for Power Supplies
140. E-015/GR-94-001 April 1994	Minnesota Power & Light Company	Minnesota	Attorney General	Rate of Return
141. CC Docket No. 94-1 May 1994	Generic Telephone	FCC	MCI Comm. Corp.	Rate of Return
142. 92-345, Phase II June 1994	Central Maine Power Company	Maine	Advocacy Staff	Price Cap Regulation Fuel Costs
143. 93-11065 April 1994	Nevada Power Company	Nevada	Federal Executive Agencies	Rate of Return
144. 94-0065 May 1994	Commonwealth Edison Company	Illinois	Federal Executive Agencies	Rate of Return
145. GR94010002J June 1994	South Jersey Gas Company	New Jersey	Rate Counsel	Rate of Return

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146. WR94030059 July 1994	New Jersey-American Water Company	New Jersey	Rate Counsel	Rate of Return
147. RP91-203-000 June 1994	Tennessee Gas Pipeline Company	FERC	Customer Group	Environmental Externalities (oral testimony only)
148. ER94-998-000 July 1994	Ocean State Power	FERC	Boston Edison Company	Rate of Return
149. R-00942986 July 1994	West Penn Power Company	Pennsylvania	Office of Consumer Advocate	Rate of Return, Emission Allowances
150. 94-121 August 1994	South Central Bell Telephone Company	Kentucky	Attorney General	Rate of Return
151. 35854-S2 November 1994	PSI Energy, Inc.	Indiana	Utility Consumer Counsel	Merger Savings and Allocations
152. IPC-E-94-5 November 1994	Idaho Power Company	Idaho	Federal Executive Agencies	Rate of Return
153. November 1994	Edmonton Water	Alberta, Canada	Regional Customer Group	Rate of Return (Rebuttal Only)
154. 90-256 December 1994	South Central Bell Telephone Company	Kentucky	Attorney General	Incentive Plan True-Ups
155. U-20925 February 1995	Louisiana Power & Light Company	Louisiana	PSC Staff	Rate of Return Industrial Contracts Trust Fund Earnings
156. R-00943231 February 1995	Pennsylvania-American Water Company	Pennsylvania	Consumer Advocate	Rate of Return
157. 8678 March 1995	Generic	Maryland	Dept. Natural Resources	Electric Competition Incentive Regulation (oral only)
158. R-000943271 April 1995	Pennsylvania Power & Light Company	Pennsylvania	Consumer Advocate	Rate of Return Nuclear decommissioning Capacity Issues
159. U-20925 May 1995	Louisiana Power & Light Company	Louisiana	Commission Staff	Class Cost of Service Issues

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160.	2290 June 1995	Narragansett Electric Company	Rhode Island	Division Staff	Rate of Return
161.	U-17949E June 1995	South Central Bell Telephone Company	Louisiana	Commission Staff	Rate of Return
162.	2304 July 1995	Providence Water Supply Board	Rhode Island	Division Staff	Cost recovery of Capital Spending Program
163.	ER95-625-000, et al. August 1995	PSI Energy, Inc.	FERC	Office of Utility Consumer Counselor	Rate of Return
164.	P-00950915, et al. September 1995	Paxton Creek Cogeneration Assoc.	Pennsylvania	Office of Consumer Advocate	Cogeneration Contract Amendment
165.	8702 September 1995	Potomac Edison Company	Maryland	Dept. of Natural Resources	Allocation of DSM Costs (oral only)
166.	ER95-533-001 September 1995	Ocean State Power	FERC	Boston Edison Co.	Cost of Equity
167.	40003 November 1995	PSI Energy, Inc.	Indiana	Utility Consumer Counselor	Rate of Return Retail wheeling
168.	P-55, SUB 1013 January 1996	BellSouth	North Carolina	AT&T	Rate of Return
169.	P-7, SUB 825 January 1996	Carolina Tel.	North Carolina	AT&T	Rate of Return
170.	February 1996	Generic Telephone	FCC	MCI	Cost of capital
171.	95A-531EG April 1996	Public Service Company of Colorado	Colorado	Federal Executive Agencies	Merger issues
172.	ER96-399-000 May 1996	Northern Indiana Public Service Company	FERC	Indiana Office of Utility Consumer Counselor	Cost of capital
173.	8716 June 1996	Delmarva Power & Light Company	Maryland	Dept. of Natural Resources	DSM programs
174.	8725 July 1996	BGE/PEPCO	Maryland	Md. Energy Admin.	Merger Issues

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175. U-20925 August 1996	Entergy Louisiana, Inc.	Louisiana	PSC Staff	Rate of Return Allocations Fuel Clause
176. EC96-10-000 September 1996	BGE/PEPCO	FERC	Md. Energy Admin.	Merger issues competition
177. EL95-53-000 November 1996	Entergy Services, Inc.	FERC	Louisiana PSC	Nuclear Decommissioning
178. WR96100768 March 1997	Consumers NJ Water Company	New Jersey	Ratepayer Advocate	Cost of Capital
179. WR96110818 April 1997	Middlesex Water Co.	New Jersey	Ratepayer Advocate	Cost of Capital
180. U-11366 April 1997	Ameritech Michigan	Michigan	MCI	Access charge reform/financial condition
181. 97-074 May 1997	BellSouth	Kentucky	MCI	Rate Rebalancing financial condition
182. 2540 June 1997	New England Power	Rhode Island	PUC Staff	Divestiture Plan
183. 96-336-TP-CSS June 1997	Ameritech Ohio	Ohio	MCI	Access Charge reform Economic impacts
184. WR97010052 July 1997	Maxim Sewerage Corp.	New Jersey	Ratepayer Advocate	Rate of Return
185. 97-300 August 1997	LG&E/KU	Kentucky	Attorney General	Merger Plan
186. Case No. 8738 August 1997	Generic (oral testimony only)	Maryland	Dept. of Natural Resources	Electric Restructuring Policy
187. Docket No. 2592 September 1997	Eastern Utilities	Rhode Island	PUC Staff	Generation Divestiture
188. Case No.97-247 September 1997	Cincinnati Bell Telephone	Kentucky	MCI	Financial Condition

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189.	Docket No. U-20925 November 1997	Entergy Louisiana	Louisiana	PSC Staff	Rate of Return
190.	Docket No. D97.7.90 November 1997	Montana Power Co.	Montana	Montana Consumers Counsel	Stranded Cost
191.	Docket No. EO97070459 November 1997	Jersey Central Power & Light Co.	New Jersey	Ratepayer Advocate	Stranded Cost
192.	Docket No. R-00974104 November 1997	Duquesne Light Co.	Pennsylvania	Office of Consumer Advocate	Stranded Cost
193.	Docket No. R-00973981 November 1997	West Penn Power Co.	Pennsylvania	Office of Consumer Advocate	Stranded Cost
194.	Docket No. A-1101150F0015 November 1997	Allegheny Power System DQE, Inc.	Pennsylvania	Office of Consumer Advocate	Merger Issues
195.	Docket No. WR97080615 January 1998	Consumers NJ Water Company	New Jersey	Ratepayer Advocate	Rate of Return
196.	Docket No. R-00974149 January 1998	Pennsylvania Power Company	Pennsylvania	Office of Consumer Advocate	Stranded Cost
197.	Case No. 8774 January 1998	Allegheny Power System DQE, Inc.	Maryland	Dept. of Natural Resources MD Energy Administration	Merger Issues
198.	Docket No. U-20925 (SC) March 1998	Entergy Louisiana, Inc.	Louisiana	Commission Staff	Restructuring, Stranded Costs, Market Prices
199.	Docket No. U-22092 (SC) March 1998	Entergy Gulf States, Inc.	Louisiana	Commission Staff	Restructuring, Stranded Costs, Market Prices
200.	Docket Nos. U-22092 (SC) and U-20925(SC) May 1998	Entergy Gulf States and Entergy Louisiana	Louisiana	Commission Staff	Standby Rates
201.	Docket No. WR98010015 May 1998	NJ American Water Co.	New Jersey	Ratepayer Advocate	Rate of Return
202.	Case No. 8794 December 1998	Baltimore Gas & Electric Co.	Maryland	MD Energy Admin./Dept. Of Natural Resources	Stranded Cost/ Transition Plan

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203.	Case No. 8795 December 1998	Delmarva Power & Light Co.	Maryland	MD Energy Admin./Dept. Of Natural Resources	Stranded Cost/ Transition Plan
204.	Case No. 8797 January 1998	Potomac Edison Co.	Maryland	MD Energy Admin./Dept. Of Natural Resources	Stranded Cost/ Transition Plan
205.	Docket No. WR98090795 March 1999	Middlesex Water Co.	New Jersey	Ratepayer Advocate	Rate of Return
206.	Docket No. 99-02-05 April 1999	Connecticut Light & Power	Connecticut	Attorney General	Stranded Costs
207.	Docket No. 99-03-04 May 1999	United Illuminating Company	Connecticut	Attorney General	Stranded Costs
208.	Docket No. U-20925 (FRP) June 1999	Entergy Louisiana, Inc.	Louisiana	Staff	Capital Structure
209.	Docket No. EC-98-40-000, <u>et al.</u> May 1999	American Electric Power/ Central & Southwest	FERC	Arkansas PSC	Market Power Mitigation
210.	Docket No. 99-03-35 July 1999	United Illuminating Company	Connecticut	Attorney General	Restructuring
211.	Docket No. 99-03-36 July 1999	Connecticut Light & Power Co.	Connecticut	Attorney General	Restructuring
212.	WR99040249 Oct. 1999	Environmental Disposal Corp.	New Jersey	Ratepayer Advocate	Rate of Return
213.	2930 Nov. 1999	NEES/EUA	Rhode Island	Division Staff	Merger/Cost of Capital
214.	DE99-099 Nov. 1999	Public Service New Hampshire	New Hampshire	Consumer Advocate	Cost of Capital Issues
215.	00-01-11 Feb. 2000	Con Ed/NU	Connecticut	Attorney General	Merger Issues
216.	Case No. 8821 May 2000	Reliant/ODEC	Maryland	Dept. of Natural Resources	Need for Power/Plant Operations

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217.	Case No. 8738 July 2000	Generic	Maryland	Dept. of Natural Resources	DSM Funding
218.	Case No. U-23356 June 2000	Entergy Louisiana, Inc.	Louisiana	PSC Staff	Fuel Prudence Issues Purchased Power
219.	Case No. 21453, et al. July 2000	SWEPCO	Louisiana	PSC Staff	Stranded Costs
220.	Case No. 20925 (B) July 2000	Entergy Louisiana	Louisiana	PSC Staff	Purchase Power Contracts
221.	Case No. 24889 August 2000	Entergy Louisiana	Louisiana	PSC Staff	Purchase Power Contracts
222.	Case No. 21453, et al. February 2001	CLECO	Louisiana	PSC Staff	Stranded Costs
223.	P-00001860 and P-0000181 March 2001	GPU Companies	Pennsylvania	Office of Consumer Advocate	Rate of Return
224.	CVOL-0505662-S March 2001	ConEd/NU	Connecticut Superior Court	Attorney General	Merger (Affidavit)
225.	U-20925 (SC) March 2001	Entergy Louisiana	Louisiana	PSC Staff	Stranded Costs
226.	U-22092 (SC) March 2001	Entergy Gulf States	Louisiana	PSC Staff	Stranded Costs
227.	U-25533 May 2001	Entergy Louisiana/ Gulf States	Louisiana Interruptible Service	PSC Staff	Purchase Power
228.	P-00011872 May 2001	Pike County Pike	Pennsylvania	Office of Consumer Advocate	Rate of Return
229.	8893 July 2001	Baltimore Gas & Electric Co.	Maryland	MD Energy Administration	Corporate Restructuring
230.	8890 September 2001	Potomac Electric/Connectivity	Maryland	MD Energy Administration	Merger Issues

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231.	U-25533 August 2001	Entergy Louisiana / Gulf States	Louisiana	Staff	Purchase Power Contracts
232.	U-25965 November 2001	Generic	Louisiana	Staff	RTO Issues
233.	3401 March 2002	New England Gas Co.	Rhode Island	Division of Public Utilities	Rate of Return
234.	99-833-MJR April 2002	Illinois Power Co.	U.S. District Court	U.S. Department of Justice	New Source Review
235.	U-25533 March 2002	Entergy Louisiana/ Gulf States	Louisiana	PSC Staff	Nuclear Uprates Purchase Power
236.	P-00011872 May 2002	Pike County Power & Light	Pennsylvania	Consumer Advocate	POLR Service Costs
237.	U-26361, Phase I May 2002	Entergy Louisiana/ Gulf States	Louisiana	PSC Staff	Purchase Power Cost Allocations
238.	R-00016849C001, et al. June 2002	Generic	Pennsylvania	Pennsylvania OCA	Rate of Return
239.	U-26361, Phase II July 2002	Entergy Louisiana/ Entergy Gulf States	Louisiana	PSC Staff	Purchase Power Contracts
240.	U-20925(B) August 2002	Entergy Louisiana	Louisiana	PSC Staff	Tax Issues
241.	U-26531 October 2002	SWEPCO	Louisiana	PSC Staff	Purchase Power Contract
242.	8936 October 2002	Delmarva Power & Light	Maryland	Energy Administration Dept. Natural Resources	Standard Offer Service
243.	U-25965 November 2002	SWEPCO/AEP	Louisiana	PSC Staff	RTO Cost/Benefit
244.	8908 Phase I November 2002	Generic	Maryland	Energy Administration Dept. Natural Resources	Standard Offer Service
245.	02S-315EG November 2002	Public Service Company of Colorado	Colorado	Fed. Executive Agencies	Rate of Return

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246.	EL02-111-000 December 2002	PJM/MISO	FERC	MD PSC	Transmission Ratemaking
247.	02-0479 February 2003	Commonwealth Edison	Illinois	Dept. of Energy	POLR Service
248.	PL03-1-000 March 2003	Generic	FERC	NASUCA	Transmission Pricing (Affidavit)
249.	U-27136 April 2003	Entergy Louisiana	Louisiana	Staff	Purchase Power Contracts
250.	8908 Phase II July 2003	Generic	Maryland	Energy Administration Dept. of Natural Resources	Standard Offer Service
251.	U-27192 June 2003	Entergy Louisiana and Gulf States	Louisiana	LPSC Staff	Purchase Power Contract Cost Recovery
252.	C2-99-1181 October 2003	Ohio Edison Company	U.S. District Court	U.S. Department of Justice, et al.	Clean Air Act Compliance Economic Impact (Report)
253.	RP03-398-000 December 2003	Northern Natural Gas Co.	FERC	Municipal Distributors Group/Gas Task Force	Rate of Return
254.	8738 December 2003	Generic	Maryland	Energy Admin Department of Natural Resources	Environmental Disclosure (oral only)
255.	U-27136 December 2003	Entergy Louisiana, Inc.	Louisiana	PSC Staff	Purchase Power Contracts
256.	U-27192, Phase II October/December 2003	Entergy Louisiana & Entergy Gulf States	Louisiana	PSC Staff	Purchase Power Contracts
257.	WC Docket 03-173 December 2003	Generic	FCC	MCI	Cost of Capital (TELRIC)
258.	ER 030 20110 January 2004	Atlantic City Electric	New Jersey	Ratepayer Advocate	Rate of Return
259.	E-01345A-03-0437 January 2004	Arizona Public Service Company	Arizona	Federal Executive Agencies	Rate of Return
260.	03-10001 January 2004	Nevada Power Company	Nevada	U.S. Dept. of Energy	Rate of Return

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261. R-00049255 June 2004	PPL Elec. Utility	Pennsylvania	Office of Consumer Advocate	Rate of Return
262. U-20925 July 2004	Entergy Louisiana, Inc.	Louisiana	PSC Staff	Rate of Return Capacity Resources
263. U-27866 September 2004	Southwest Electric Power Co.	Louisiana	PSC Staff	Purchase Power Contract
264. U-27980 September 2004	Cleco Power	Louisiana	PSC Staff	Purchase Power Contract
265. U-27865 October 2004	Entergy Louisiana, Inc. Entergy Gulf States	Louisiana	PSC Staff	Purchase Power Contract
266. RP04-155 December 2004	Northern Natural Gas Company	FERC	Municipal Distributors Group/Gas Task Force	Rate of Return
267. U-27836 January 2005	Entergy Louisiana/ Gulf States	Louisiana	PSC Staff	Power plant Purchase and Cost Recovery
268. U-199040 et al. February 2005	Entergy Gulf States/ Louisiana	Louisiana	PSC Staff	Global Settlement, Multiple rate proceedings
269. EF03070532 March 2005	Public Service Electric & Gas	New Jersey	Ratepayers Advocate	Securitization of Deferred Costs
270. 05-0159 June 2005	Commonwealth Edison	Illinois	Department of Energy	POLR Service
271. U-28804 June 2005	Entergy Louisiana	Louisiana	LPSC Staff	QF Contract
272. U-28805 June 2005	Entergy Gulf States	Louisiana	LPSC Staff	QF Contract
273. 05-0045-EI June 2005	Florida Power & Lt.	Florida	Federal Executive Agencies	Rate of Return
274. 9037 July 2005	Generic	Maryland	MD. Energy Administration	POLR Service
275. U-28155 August 2005	Entergy Louisiana Entergy Gulf States	Louisiana	LPSC Staff	Independent Coordinator of Transmission Plan

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276.	U-27866-A September 2005	Southwestern Electric Power Company	Louisiana	LPSC Staff	Purchase Power Contract
277.	U-28765 October 2005	Cleco Power LLC	Louisiana	LPSC Staff	Purchase Power Contract
278.	U-27469 October 2005	Entergy Louisiana Entergy Gulf States	Louisiana	LPSC Staff	Avoided Cost Methodology
279.	A-313200F007 October 2005	Sprint (United of PA)	Pennsylvania	Office of Consumer Advocate	Corporate Restructuring
280.	EM05020106 November 2005	Public Service Electric & Gas Company	New Jersey	Ratepayer Advocate	Merger Issues
281.	U-28765 December 2005	Cleco Power LLC	Louisiana	LPSC Staff	Plant Certification, Financing, Rate Plan
282.	U-29157 February 2006	Cleco Power LLC	Louisiana	LPSC Staff	Storm Damage Financing
283.	U-29204 March 2006	Entergy Louisiana Entergy Gulf States	Louisiana	LPSC Staff	Purchase power contracts
284.	A-310325F006 March 2006	Alltel	Pennsylvania	Office of Consumer Advocate	Merger, Corporate Restructuring
285.	9056 March 2006	Generic	Maryland	Maryland Energy Administration	Standard Offer Service Structure
286.	C2-99-1182 April 2006	American Electric Power Utilities	U. S. District Court Southern District, Ohio	U. S. Department of Justice	New Source Review Enforcement (expert report)
287.	EM05121058 April 2006	Atlantic City Electric	New Jersey	Ratepayer Advocate	Power plant Sale
288.	ER05121018 June 2006	Jersey Central Power & Light Company	New Jersey	Ratepayer Advocate	NUG Contracts Cost Recovery
289.	U-21496, Subdocket C June 2006	Cleco Power LLC	Louisiana	Commission Staff	Rate Stabilization Plan
290.	GR0510085 June 2006	Public Service Electric & Gas Company	New Jersey	Ratepayer Advocate	Rate of Return (gas services)

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291. R-000061366 July 2006	Metropolitan Ed. Company Penn. Electric Company	Pennsylvania	Office of Consumer Advocate	Rate of Return
292. 9064 September 2006	Generic	Maryland	Energy Administration	Standard Offer Service
293. U-29599 September 2006	Cleco Power LLC	Louisiana	Commission Staff	Purchase Power Contracts
294. WR06030257 September 2006	New Jersey American Water Company	New Jersey	Rate Counsel	Rate of Return
295. U-27866/U-29702 October 2006	Southwestern Electric Power Company	Louisiana	Commission Staff	Purchase Power/Power Plant Certification
296. 9063 October 2006	Generic	Maryland	Energy Administration Department of Natural Resources	Generation Supply Policies
297. EM06090638 November 2006	Atlantic City Electric	New Jersey	Rate Counsel	Power Plant Sale
298. C-2000065942 November 2006	Pike County Light & Power	Pennsylvania	Consumer Advocate	Generation Supply Service
299. ER06060483 November 2006	Rockland Electric Company	New Jersey	Rate Counsel	Rate of Return
300. A-110150F0035 December 2006	Duquesne Light Company	Pennsylvania	Consumer Advocate	Merger Issues
301. U-29203, Phase II January 2007	Entergy Gulf States Entergy Louisiana	Louisiana	Commission Staff	Storm Damage Cost Allocation
302. 06-11022 February 2007	Nevada Power Company	Nevada	U.S. Dept. of Energy	Rate of Return
303. U-29526 March 2007	Cleco Power	Louisiana	Commission Staff	Affiliate Transactions
304. P-00072245 March 2007	Pike County Light & Power	Pennsylvania	Consumer Advocate	Provider of Last Resort Service
305. P-00072247 March 2007	Duquesne Light Company	Pennsylvania	Consumer Advocate	Provider of Last Resort Service

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306. EM07010026 May 2007	Jersey Central Power & Light Company	New Jersey	Rate Counsel	Power Plant Sale
307. U-30050 June 2007	Entergy Louisiana Entergy Gulf States	Louisiana	Commission Staff	Purchase Power Contract
308. U-29956 June 2007	Entergy Louisiana	Louisiana	Commission Staff	Black Start Unit
309. U-29702 June 2007	Southwestern Electric Power Company	Louisiana	Commission Staff	Power Plant Certification
310. U-29955 July 2007	Entergy Louisiana Entergy Gulf States	Louisiana	Commission Staff	Purchase Power Contracts
311. 2007-67 July 2007	FairPoint Communications	Maine	Office of Public Advocate	Merger Financial Issues
312. P-00072259 July 2007	Metropolitan Edison Co.	Pennsylvania	Office of Consumer Advocate	Purchase Power Contract Restructuring
313. EO07040278 September 2007	Public Service Electric & Gas	New Jersey	Rate Counsel	Solar Energy Program Financial Issues
314. U-30192 September 2007	Entergy Louisiana	Louisiana	Commission Staff	Power Plant Certification Ratemaking, Financing
315. 9117 (Phase II) October 2007	Generic (Electric)	Maryland	Energy Administration	Standard Offer Service Reliability
316. U-30050 November 2007	Entergy Gulf States	Louisiana	Commission Staff	Power Plant Acquisition
317. IPC-E-07-8 December 2007	Idaho Power Co.	Idaho	U.S. Department of Energy	Cost of Capital
318. U-30422 (Phase I) January 2008	Entergy Gulf States	Louisiana	Commission Staff	Purchase Power Contract
319. U-29702 (Phase II) February, 2008	Southwestern Electric Power Co.	Louisiana	Commission Staff	Power Plant Certification
320. March 2008	Delmarva Power & Light	Delaware State Senate	Senate Committee	Wind Energy Economics

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321.	U-30192 (Phase II) March 2008	Entergy Louisiana	Louisiana	Commission Staff	Cash CWIP Policy, Credit Ratings
322.	U-30422 (Phase II) April 2008	Entergy Gulf States - LA	Louisiana	Commission Staff	Power Plant Acquisition
323.	U-29955 (Phase II) April 2008	Entergy Gulf States - LA Entergy Louisiana	Louisiana	Commission Staff	Purchase Power Contract
324.	GR-070110889 April 2008	New Jersey Natural Gas Company	New Jersey	Rate Counsel	Cost of Capital
325.	WR-08010020 July 2008	New Jersey American Water Company	New Jersey	Rate Counsel	Cost of Capital
326.	U-28804-A August 2008	Entergy Louisiana	Louisiana	Commission Staff	Cogeneration Contract
327.	IP-99-1693C-M/S August 2008	Duke Energy Indiana	Federal District Court	U.S. Department of Justice/ Environmental Protection Agency	Clean Air Act Compliance (Expert Report)
328.	U-30670 September 2008	Entergy Louisiana	Louisiana	Commission Staff	Nuclear Plant Equipment Replacement
329.	9149 October 2008	Generic	Maryland	Department of Natural Resources	Capacity Adequacy/Reliability
330.	IPC-E-08-10 October 2008	Idaho Power Company	Idaho	U.S. Department of Energy	Cost of Capital
331.	U-30727 October 2008	Cleco Power LLC	Louisiana	Commission Staff	Purchased Power Contract
332.	U-30689-A December 2008	Cleco Power LLC	Louisiana	Commission Staff	Transmission Upgrade Project
333.	IP-99-1693C-M/S February 2009	Duke Energy Indiana	Federal District Court	U.S. Department of Justice/EPA	Clean Air Act Compliance (Oral Testimony)
334.	U-30192, Phase II February 2009	Entergy Louisiana, LLC	Louisiana	Commission Staff	CWIP Rate Request Plant Allocation
335.	U-28805-B February 2009	Entergy Gulf States, LLC	Louisiana	Commission Staff	Cogeneration Contract

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336. P-2009-2093055, et al. May 2009	Metropolitan Edison Pennsylvania Electric	Pennsylvania	Office of Consumer Advocate	Default Service
337. U-30958 July 2009	Cleco Power	Louisiana	Commission Staff	Purchase Power Contract
338. EO08050326 August 2009	Jersey Central Power Light Co.	New Jersey	Rate Counsel	Demand Response Cost Recovery
339. GR09030195 August 2009	Elizabethtown Gas	New Jersey	New Jersey Rate Counsel	Cost of Capital
340. U-30422-A August 2009	Entergy Gulf States	Louisiana	Staff	Generating Unit Purchase
341. CV 1:99-01693 August 2009	Duke Energy Indiana	Federal District Court – Indiana	U. S. DOJ/EPA, et al.	Environmental Compliance Rate Impacts (Expert Report)
342. 4065 September 2009	Narragansett Electric	Rhode Island	Division Staff	Cost of Capital
343. U-30689 September 2009	Cleco Power	Louisiana	Staff	Cost of Capital, Rate Design, Other Rate Case Issues
344. U-31147 October 2009	Entergy Gulf States Entergy Louisiana	Louisiana	Staff	Purchase Power Contracts
345. U-30913 November 2009	Cleco Power	Louisiana	Staff	Certification of Generating Unit
346. M-2009-2123951 November 2009	West Penn Power	Pennsylvania	Office of Consumer Advocate	Smart Meter Cost of Capital (Surrebuttal Only)
347. GR09050422 November 2009	Public Service Electric & Gas Company	New Jersey	Rate Counsel	Cost of Capital
348. D-09-49 November 2009	Narragansett Electric	Rhode Island	Division Staff	Securities Issuances
349. U-29702, Phase II November 2009	Southwestern Electric Power Company	Louisiana	Commission Staff	Cash CWIP Recovery
350. U-30981 December 2009	Entergy Louisiana Entergy Gulf States	Louisiana	Commission Staff	Storm Damage Cost Allocation

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351. U-31196 (ITA Phase) February 2010	Entergy Louisiana	Louisiana	Staff	Purchase Power Contract
352. ER09080668 March 2010	Rockland Electric	New Jersey	Rate Counsel	Rate of Return
353. GR10010035 May 2010	South Jersey Gas Co.	New Jersey	Rate Counsel	Rate of Return
354. P-2010-2157862 May 2010	Pennsylvania Power Co.	Pennsylvania	Consumer Advocate	Default Service Program
355. 10-CV-2275 June 2010	Xcel Energy	U.S. District Court Minnesota	U.S. Dept. Justice/EPA	Clean Air Act Enforcement
356. WR09120987 June 2010	United Water New Jersey	New Jersey	Rate Counsel	Rate of Return
357. U-30192, Phase III June 2010	Entergy Louisiana	Louisiana	Staff	Power Plant Cancellation Costs
358. 31299 July 2010	Cleco Power	Louisiana	Staff	Securities Issuances
359. App. No. 1601162 July 2010	EPCOR Water	Alberta, Canada	Regional Customer Group	Cost of Capital
360. U-31196 July 2010	Entergy Louisiana	Louisiana	Staff	Purchase Power Contract
361. 2:10-CV-13101 August 2010	Detroit Edison	U.S. District Court Eastern Michigan	U.S. Dept. of Justice/EPA	Clean Air Act Enforcement
362. U-31196 August 2010	Entergy Louisiana Entergy Gulf States	Louisiana	Staff	Generating Unit Purchase and Cost Recovery
363. Case No. 9233 October 2010	Potomac Edison Company	Maryland	Energy Administration	Merger Issues
364. 2010-2194652 November 2010	Pike County Light & Power	Pennsylvania	Consumer Advocate	Default Service Plan
365. 2010-2213369 April 2011	Duquesne Light Company	Pennsylvania	Consumer Advocate	Merger Issues

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366.	U-31841 May 2011	Entergy Gulf States	Louisiana	Staff	Purchase Power Agreement
367.	11-06006 September 2011	Nevada Power	Nevada	U. S. Department of Energy	Cost of Capital
368.	9271 September 2011	Exelon/Constellation	Maryland	MD Energy Administration	Merger Savings
369.	4255 September 2011	United Water Rhode Island	Rhode Island	Division of Public Utilities	Rate of Return
370.	P-2011-2252042 October 2011	Pike County Light & Power	Pennsylvania	Consumer Advocate	Default service plan
371.	U-32095 November 2011	Southwestern Electric Power Company	Louisiana	Commission Staff	Wind energy contract
372.	U-32031 November 2011	Entergy Gulf States Louisiana	Louisiana	Commission Staff	Purchased Power Contract
373.	U-32088 January 2012	Entergy Louisiana	Louisiana	Commission Staff	Coal plant evaluation
374.	R-2011-2267958 February 2012	Aqua Pa.	Pennsylvania	Office of Consumer Advocate	Cost of capital
375.	P-2011-2273650 February 2012	FirstEnergy Companies	Pennsylvania	Office of Consumer Advocate	Default service plan
376.	U-32223 March 2012	Cleco Power	Louisiana	Commission Staff	Purchase Power Contract and Rate Recovery
377.	U-32148 March 2012	Entergy Louisiana Energy Gulf States	Louisiana	Commission Staff	RTO Membership
378.	ER11080469 April 2012	Atlantic City Electric	New Jersey	Rate Counsel	Cost of capital
379.	R-2012-2285985 May 2012	Peoples Natural Gas Company	Pennsylvania	Office of Consumer Advocate	Cost of capital
380.	U-32153 July 2012	Cleco Power	Louisiana	Commission Staff	Environmental Compliance Plan

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381. U-32435 August 2012	Entergy Gulf States Louisiana LLC	Louisiana	Commission Staff	Cost of equity (gas)
382. ER-2012-0174 August 2012	Kansas City Power & Light Company	Missouri	U. S. Department of Energy	Rate of return
383. U-31196 August 2012	Entergy Louisiana/ Entergy Gulf States	Louisiana	Commission Staff	Power Plant Joint Ownership
384. ER-2012-0175 August 2012	KCP&L Greater Missouri Operations	Missouri	U.S. Department of Energy	Rate of Return
385. 4323 August 2012	Narragansett Electric Company	Rhode Island	Division of Public Utilities and Carriers	Rate of Return (electric and gas)
386. D-12-049 October 2012	Narragansett Electric Company	Rhode Island	Division of Public Utilities and Carriers	Debt issue
387. GO12070640 October 2012	New Jersey Natural Gas Company	New Jersey	Rate Counsel	Cost of capital
388. GO12050363 November 2012	South Jersey Gas Company	New Jersey	Rate Counsel	Cost of capital
389. R-2012-2321748 January 2013	Columbia Gas of Pennsylvania	Pennsylvania	Office of Consumer Advocate	Cost of capital
390. U-32220 February 2013	Southwestern Electric Power Co.	Louisiana	Commission Staff	Formula Rate Plan
391. CV No. 12-1286 February 2013	PPL et al.	Federal District Court	MD Public Service Commission	PJM Market Impacts (deposition)
392. EL13-48-000 February 2013	BGE, PHI subsidiaries	FERC	Joint Customer Group	Transmission Cost of Equity
393. EO12080721 March 2013	Public Service Electric & Gas	New Jersey	Rate Counsel	Solar Tracker ROE
394. EO12080726 March 2013	Public Service Electric & Gas	New Jersey	Rate Counsel	Solar Tracker ROE
395. CV12-1286MJG March 2013	PPL, PSEG	U.S. District Court for the District of Md.	Md. Public Service Commission	Capacity Market Issues (trial testimony)

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396.	U-32628 April 2013	Entergy Louisiana and Gulf States Louisiana	Louisiana	Staff	Avoided cost methodology
397.	U-32675 June 2013	Entergy Louisiana and Entergy Gulf States	Louisiana	Staff	RTO Integration Issues
398.	ER12111052 June 2013	Jersey Central Power & Light Company	New Jersey	Rate Counsel	Cost of capital
399.	PUE-2013-00020 July 2013	Dominion Virginia Power	Virginia	Apartment & Office Building Assoc. of Met. Washington	Cost of capital
400.	U-32766 August 2013	Cleco Power	Louisiana	Staff	Power plant acquisition
401.	U-32764 September 2013	Entergy Louisiana and Entergy Gulf States	Louisiana	Staff	Storm Damage Cost Allocation
402.	P-2013-237-1666 September 2013	Pike County Light and Power Co.	Pennsylvania	Office of Consumer Advocate	Default Generation Service
403.	E013020155 and G013020156 October 2013	Public Service Electric and Gas Company	New Jersey	Rate Counsel	Cost of capital
404.	U-32507 November 2013	Cleco Power	Louisiana	Staff	Environmental Compliance Plan
405.	DE11-250 December 2013	Public Service Co. New Hampshire	New Hampshire	Consumer Advocate	Power plant investment prudence
406.	4434 February 2014	United Water Rhode Island	Rhode Island	Staff	Cost of Capital
407.	U-32987 February 2014	Atmos Energy	Louisiana	Staff	Cost of Capital
408.	EL 14-28-000 February 2014	Entergy Louisiana Entergy Gulf States	FERC	LPSC	Avoided Cost Methodology (affidavit)
409.	ER13111135 May 2014	Rockland Electric	New Jersey	Rate Counsel	Cost of Capital

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410.	13-2385-SSO, et al. May 2014	AEP Ohio	Ohio	Consumers' Counsel	Default Service Issues
411.	U-32779 May 2014	Cleco Power, LLC	Louisiana	Staff	Formula Rate Plan
412.	CV-00234-SDD-SCR June 2014	Entergy Louisiana Entergy Gulf	U.S. District Court Middle District Louisiana	Louisiana Public Service Commission	Avoided Cost Determination Court Appeal
413.	U-32812 July 2014	Entergy Louisiana	Louisiana	Louisiana Public Service Commission	Nuclear Power Plant Prudence
414.	14-841-EL-SSO September 2014	Duke Energy Ohio	Ohio	Office of Consumer' Counsel	Default Service Issues
415.	EM14060581 November 2014	Atlantic City Electric Company	New Jersey	Rate Counsel	Merger Financial Issues
416.	EL15-27 December 2014	BGE, PHI Utilities	FERC	Joint Complainants	Cost of Equity
417.	14-1297-EL-SSO December 2014	First Energy Utilities	Ohio	Consumer's Counsel and NOPEC	Default Service Issues
418.	EL-13-48-001 January 2015	BGE, PHI Utilities	FERC	Joint Complainants	Cost of Equity
419.	EL13-48-001 and EL15-27-000 April 2015	BGE and PHI Utilities	FERC	Joint Complainants	Cost of Equity
420.	U- 33592 November 2015	Entergy Louisiana	Louisiana Public Service Commission	Commission Staff	PURPA PPA Contract
421.	GM15101196 April 2016	AGL Resources	New Jersey	Rate Counsel	Financial Aspects of Merger
422.	U-32814 April 2016	Southwestern Electric Power	Louisiana	Staff	Wind Energy PPAs
423.	A-2015-2517036, et.al. April 2016	Pike County	Pennsylvania	Consumer Advocate	Merger Issues