ReSolved
Energy Consulting

June 4, 2019

Louisiana Public Service Commission
Office of the General Counsel
602 North Fifth Street
Baton Rouge, Louisiana 70802

Attention: Kim Trosclair

RE: RFP 19-09

ReSolved Energy Consulting, LLC ("REC") is pleased to submit this Proposal for Services to the Louisiana Public Service Commission ("LPSC" or "Commission") for consulting services in the *Audit of Fuel Adjustment Clause Filings for Southwestern Electric Power Company for the period of January 2016 through December 2018.* This proposal describes the consulting services REC will provide including:

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

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

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

Very truly yours,

Karl J. Nalepa
President

Proposal for Services

Louisiana Public Service Commission
Request for Proposals No. 19-09

Outside Consultant to Assist Staff with the Audit of Fuel Adjustment Clause Filings for Southwestern Electric Power Company. (2016-2018)

June 4, 2019

ReSolved Energy Consulting, LLC • 11044 Research Blvd., Suite A-420 • Austin, TX 78759 • P: (512) 331-4949 • F: (512) 331-5743 • www.ReSolvedEnergy.com

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Proposal for
Louisiana Public Service Commission
RFP 19-09
Outside Consultant to Assist Staff with the Audit of Fuel Adjustment Clause Filings for Southwestern Electric Power Company (2016 – 2018)

A. STATEMENT OF THE PROJECT

Fuel costs make up a significant portion of a utility's cost of service and can fluctuate widely over relatively short periods of time. A Fuel Adjustment Clause ("FAC") clause permits utilities to recoup fuel costs on an ongoing basis without a comprehensive review of the utility's total cost of service. A FAC clause is not designed to allow the utility to earn a profit; rather, it is a recoupment device designed to permit a dollar-for-dollar recovery of fluctuations in the cost of fuel to the utility. FAC clauses may appear on the surface to be clear-cut based upon a prescribed formula. However, the implementation of the formula can prove to be controversial and complex. For this reason, regulators retain jurisdiction to review and determine, in a retrospective analysis, whether the costs passed through to consumers via the FAC were prudently incurred, produce just and reasonable rates, and were properly included in the FAC.

The Louisiana Public Service Commission ("LPSC" or "Commission") has initiated an audit of the Southwestern Electric Power Company ("SWEPCO" or "Company") for the calendar years 2016 - 2018. The Commission further directed the LPSC Staff ("Staff") to select independent technical consultants to assist Staff in reviewing the technical and jurisdictional issues related to the Commission's audit.

Under the Staff's direction, ReSolved Energy Consulting, LLC ("REC") task is to assist the Commission's Legal and Audit and Utilities Divisions in analyzing fuel purchases and usage by SWEPCO during the audit period to determine the accuracy and reasonableness of those costs recovered by the Company through its FAC. In determining the reasonableness of these costs REC will review the operations, books, records and FAC filings of SWEPCO, conduct discovery, prepare and defend direct and rebuttal testimony, participate in public hearings, assist Staff in preparation of any post-hearing briefs or filings, assist in any settlement discussions and/or stipulation hearings, and, if required, attend and testify at the Commission's Business and Executive Session(s).

The basis for direct testimony will be an Audit Report containing the results of the investigation. That report will contain specific findings and recommendations concerning whether the costs passed through the FAC clause were or were not reasonable and prudent, and whether the costs were appropriate for recovery in the FAC clause mechanism consistent with the Commissions November 6, 1997 General Order.

B. FIRM PROFILE

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

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

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

Since 2001 REC has served as technical consultant to a large power aggregation group that since 2011 is called Texas Cities for Affordable Power ("TCAP"). This group is comprised of over 160 Texas cities and political subdivisions. REC's duties include supply procurement, including issuance of RFPs for power supplies and the negotiation of power supply agreements, provide technical assistance on electric issues, assist individual members with electric problems, and provide new and innovative approaches for saving members money via innovative procurement and contracting. REC developed and implemented one of the first arrangements in the Texas deregulated market where customers separately procure power and REP services from alternative providers.

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

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

C. WORK PLAN

The Commission's General Order dated November 6, 1997 ("FAC Order") requires that the costs passed through a utility's fuel adjustment mechanism were prudently incurred, produced just and reasonable rates, were necessary to the provision of electric service, and were eligible for recovery through the fuel clause. This fuel adjustment clause audit of SWEPCO for the period 2016 – 2018 is intended to comply with the FAC Order.

REC previously conducted the audit of SWEPCO's fuel adjustment clause for the period 2005 – 2013 and as such REC consultants are familiar with SWEPCO's processes and workpapers.

REC will work closely with the LPSC Staff in reviewing the operations, books and records of SWEPCO. REC's consultants will thoroughly analyze the Companies books and records to delineate includable and excludable fuel and purchased power costs. REC's consultants, working in concert with Staff, will develop and assist in the development of data requests and will review and analyze the utility's responses to those data requests as well as responses to data requests submitted by other parties, if any.

REC's review procedures will include an analysis of SWEPCO's monthly comprehensive fuel adjustment reporting requirements filed with the LPSC. REC will review and analyze SWEPCO's monthly comprehensive fuel adjustment filings to assure compliance with all pertinent state and federal regulations. If needed, REC will develop new, or suggest improvements to Staffs current internal procedures to effectively monitor and evaluate SWEPCO's performance in areas impacting the fuel and purchased power costs.

Issues that REC will address include, but are not necessarily limited to:

1) A determination if fuel and associated costs are properly identified and recorded in the appropriate uniform system of accounts.
    a) Only those direct costs of fuel included in FERC Accounts 151, 501 and 555 are recoverable as fuel and purchased power under the Louisiana FAC guidelines and rules. A detailed review of the Company's books and records will be undertaken to ensure that administration, labor, byproduct disposal, and other excludable costs are not included in the FAC.
    b) An analysis of any special circumstances requests for recovery of otherwise excludable costs in the FAC.
2) A determination if purchased energy and associated costs are properly identified.
    a) A detailed review of the Company's books and records will be undertaken to ensure that purchased power demand, capacity, or facilities charges, whether explicitly identified or subsumed within the energy charge, are not included in the FAC.
    b) A review of the books and records to ensure that off-system sales and revenues are appropriately accounted for.
3) An assessment of the Company's practices for economical purchase and use of fuel and electric energy.

a) Did the Company purchase natural gas at reasonable prices as compared to published market indices?

b) During the audit period, were storage facilities utilized to provide increased supply reliability and swing flexibility, and if so, were the facilities effectively utilized. Did alternatives exist, such as long term gas supply and transportation agreements, which could provide the same reliability and flexibility at a lower cost?

c) Were coal and coal transportation costs reasonable, and were fuel inventories appropriate to maintain reliable generation?

d) Were plant heat rates and availability factors reasonable?

e) Were purchased power energy costs reasonable as compared to published market indices?

f) Did the Company take advantage of opportunities in the fuel and purchased power market to reduce costs to consumers?

g) Were affiliate transactions reasonable and consistent with Commission rules?

4) An assessment of the relevant contract terms and conditions and any variations from contract terms.

a) Were fuel and purchased power contracts in existence during the reconciliation period properly administered?

b) Were fuel or purchased power contracts entered into during the review period reasonable and necessary?

c) Were opportunities to renegotiate fuel and purchased power contracts to secure more favorable terms pursued when possible?

5) An assessment of whether SWEPCO complied with prior Orders of the Commission with regards to fuel-related issues.

Using information obtained through discovery and developed by means of our own analyses, REC will assist Staff in preparing an Audit Report which will identify any irregularities found in the monthly fuel adjustment calculations that were incorrectly assessed and applied to Louisiana customer billing statements or which allowed for the recovery of these unauthorized expenses by SWEPCO. The Report will include an Executive Summary which will identify any cost included in the audit found to be in violation of the FAC Order and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery of these costs.

If necessary, REC's Consultants will also prepare testimony which, after review and vetting by Staff, will be filed on behalf of Staff. REC's consultants will support and defend its filed testimony in any appearances as expert witnesses and will respond in a timely manner to any data requests filed by the utility or by other parties. Further, REC's consultants will assist Staff in developing cross-examination materials for the utility's witnesses and for the witnesses of intervening parties as necessary. REC's consultants will also assist Staff in preparing briefs, reply briefs, and proposed orders as required. REC's consultants are prepared to assist Staff in any

settlement discussions and/or stipulation hearing and, if necessary, testify at the Commission's Business and Executive Session(s).

Estimated Timeline

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

Activity	Description	Date
1	Review FAC filings and supporting materials	July 2019
2	Prepare data requests and review responses	August 2019
3	Review relevant books and records and historical data involving prior audits	September 2019
4	Participate in status conferences with Company and/or Staff	October 2019
5	Conduct analysis and develop recommendations	November 2019
6	Prepare and submit Staff Audit Report	December 2019
If Necessary:		
7	Prepare and submit prefiled testimony, respond to data requests, and prepare for hearing	March – April 2020
8	Appear at hearing. Assist Staff to develop cross-examination materials, prepare briefs, reply briefs and proposed Orders.	May – June 2020
9	Participate in any settlement discussions and/or stipulated hearing	July – August 2020
10	Appear at B&E Session and testify if necessary	September 2020

D. PRIOR EXPERIENCE

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

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

In addition, REC consultants are familiar with SWEPCO's past fuel purchases through participation in various fuel review proceedings before the Texas Public Utility Commission.

REC's project manager, Mr. Karl Nalepa, has broad experience in the regulation of electric and gas utilities, including service as a Fuel Analyst with the Public Utility Commission of Texas. Additionally, he has participated in many fuel, purchased power and purchased gas reviews in Texas including:

Before the Public Utility Commission of Texas

Docket No. 48973	*Application of Southwestern Public Service Company for Authority to Reconcile Fuel and Purchased Power Costs*
Docket No. 41791	*Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs*
Docket No. 40443	*Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs*
Docket No. 39896	*Application of Entergy Texas, Inc. for Authority to Change Rates, Reconcile Fuel Costs, and Obtain Deferred Accounting Treatment*
Docket No. 37744	*Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs*
Docket No. 37580	*Application of Entergy Texas, Inc. to Implement an Interim Fuel Refund*
Docket No. 37162	*Application of Southwestern Electric Power Company for Authority to Reconcile Fuel Costs*
Docket No. 34800	*Application of Entergy Gulf States, Inc. for Authority to Change Rates and Reconcile Fuel Costs*
Docket No. 16705	*Application of Entergy Gulf States, Inc. for Approval of its Transition to Competition Plan and the Tariffs Implementing the Plan, and for the Authority to Reconcile Fuel Costs, to Set Revised Fuel Factors, and to Recover a Surcharge for Under-recovered Fuel Costs*
Docket No. 10092	*Application of Houston Lighting & Power Co. for Reconciliation of Fuel Costs*
Docket No. 10035	*Application of West Texas Utilities Co. to Reconcile Fuel Costs and for Authority to Increase Fixed Fuel Factors*

Docket No. 8900	*Petition of General Counsel for a Fuel Reconciliation for Southwestern Electric Power Company*
Docket No. 8588	*Application of El Paso Electric Co. for Reconciliation of Fuel Costs*

Before the Railroad Commission of Texas

Docket No. 9732	*Atmos Energy Corporation, Mid-Tex Division Gas Cost Review*
Docket No. 9530	*Atmos Energy Corporation Transmission Gas Cost Review*

REC consultants also have a broad base of requisite experience working for electric utilities (including IOUs and public power), independent power generators and other market participants with a particular interest in the Texas and Louisiana markets. Our staff has direct experience in Louisiana markets from both an employee and consultant perspective and understands the many challenges and unique features of the Louisiana market.

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

E. REFERENCES

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

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

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

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

F. PERSONNEL

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

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

Bill Starnes is a senior management consultant with REC, with over 25 years of broad based experience. His experience includes managerial work in strategic and operational planning, supply management, development and implementation of regulatory changes in restructured markets, regulatory compliance, contract negotiation, valuation of utility assets, gas transportation management and scheduling, administration, and rates. Mr. Starnes has extensive experience in the development of the policies and procedures to implement the Texas restructured electric

market, development and maintenance of retail customer electric aggregation groups in the Texas electric markets, financial analysis and valuation of both physical and contractual assets in both the electric and gas markets, procurement of both electric and gas supplies for utilities end users, developing contract buy-down or buyout costs for contract negotiations and fuel price forecasting. Mr. Starnes has also managed or performed numerous valuations and due diligence reviews of both physical and contractual assets. In addition, Mr. Starnes has developed and implemented special marketing programs to sell underutilized contractual assets for both gas supplies and gas transportation.

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

G. STATEMENT OF POTENTIAL CONFLICTS OF INTEREST

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

H. BUDGET ESTIMATES

	Hourly Rates:		Total Budget Estimate:
Mr. Karl Nalepa	$270/hr	Professional Fees:	$27,000
Mr. Bill Starnes	$270/hr	Total Other Costs:*	$ 900
Ms. Erin Cromleigh	$180/hr	Total Fees and Costs:	$27,900

* Travel, copies, postage

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

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

I. AUTHORIZED SIGNATURE

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

KARL J. NALEPA
PRESIDENT

J. APPENDIX - RESUMES

KARL J. NALEPA

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

EDUCATION

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

PROFESSIONAL HISTORY

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

AREAS OF EXPERTISE

Regulatory Analysis

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

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

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

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

Litigation Support

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

Utility System Assessment

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

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

Energy Supply Analysis

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

Econometric Forecasting

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

Reservoir Engineering

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

PROFESSIONAL MEMBERSHIPS

Society of Petroleum Engineers
International Association for Energy Economics

SELECT PUBLICATIONS, PRESENTATIONS, AND TESTIMONY

"Public Utility Ratemaking," EBF 401: Strategic Corporate Finance, The Pennsylvania State University, September 2013

"What You Should Know About Public Utilities," EBF 401: Strategic Corporate Finance, The Pennsylvania State University, October 2011

"Natural Gas Markets and the Impact on Electricity Prices in ERCOT," Texas Coalition of Cities for Fair Utility Issues, Dallas, October 2008

"Natural Gas Regulatory Policy in Texas," Hungarian Oil and Gas Policy Business Colloquium, U.S. Trade and Development Agency, Houston, May 2003

"Railroad Commission Update," Texas Society of Certified Public Accountants, Austin, April 2003

"Gas Utility Update," Railroad Commission Regulatory Expo and Open House, October 2002

"Deregulation: A Work in Progress," Interview by Karen Stidger, *Gas Utility Manager*, October 2002

"Regulatory Overview: An Industry Perspective," Southern Gas Association's Ratemaking Process Seminar, Houston, February 2001

"Natural Gas Prices Could Get Squeezed," with Commissioner Charles R. Matthews, *Natural Gas*, December 2000

"Railroad Commission Update," Texas Society of Certified Public Accountants, Austin, April 2000

"A New Approach to Electronic Tariff Access," Association of Texas Intrastate Natural Gas Pipeline Annual Meeting, Houston, January 1999

"A Texas Natural Gas Model," United States Association for Energy Economics North American Conference, Albuquerque, 1998

"Texas Railroad Commission Aiding Gas Industry by Updated Systems, Regulations," *Natural Gas,* July 1998

"Current Trends in Texas Natural Gas Regulation," Natural Gas Producers Association, Midland, 1998

"An Overview of the American Petroleum Industry," Institute of International Education Training Program, Austin, 1993

Direct testimony in PUC Docket No. 10400 summarized in *Environmental Externality,* Energy Research Group for the Edison Electric Institute, 1992

"God's Fuel - Natural Gas Exploration, Production, Transportation and Regulation," with Danny Bivens, Public Utility Commission of Texas Staff Seminar, 1992

"A Summary of Utilities' Positions Regarding the Clean Air Act Amendments of 1990," Industrial Energy Technology Conference, Houston, 1992

"The Clean Air Act Amendments of 1990," Public Utility Commission of Texas Staff Seminar, 1992

KARL J. NALEPA
TESTIMONY FILED

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
Before the Public Utility Commission of Texas					
49395	May 19	City of El Paso	El Paso Electric	DCRF	DCRF Methodology
49148	Apr 19	City of El Paso	El Paso Electric	TCRF	TCRF Methodology
49042	Mar 19	Cities	SWEPCO	TCRF	TCRF Methodology
49041	Feb 19	Cities	SWEPCO	DCRF	DCRF Methodology
48973	May 19	Xcel Municipalities	Southwestern Public Service	Fuel Reconciliation	Fuel / Purch Power Costs
48963	Dec 18	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
48420	Aug 18	Gulf Coast Coalition	CenterPoint Energy Houston	EECRF	EECRF Methodology
48404	Jul 18	Cities	Texas-New Mexico Power	EECRF	EECRF Methodology
48371	Aug 18	Cities	Entergy Texas Inc.	Cost of Service	Cost of Service
48231	May 18	Cities	Oncor Electric Delivery	DCRF	DCRF Methodology
48226	May 18	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
48222	Apr 18	Cities	AEP Texas Inc.	DCRF	DCRF Methodology
47900	Dec 17	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
47527	Apr 18	Xcel Municipalities	Southwestern Public Service	Cost of Service	Cost of Service
47461	Dec 17	Office of Public Counsel	SWEPCO	CCN	Public Interest Review
47236	Jul 17	Cities	AEP Texas	EECRF	EECRF Methodology
47235	Jul 17	Cities	Oncor Electric Delivery	EECRF	EECRF Methodology

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
47217	Jul 17	Cities	Texas-New Mexico Power	EECRF	EECRF Methodology
47032	May 17	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
46936	Oct 17	Xcel Municipalities	Southwestern Public Service	CCN	Public Interest Review
46449	Apr 17	Cities	SWEPCO	Cost of Service	Cost of Service
46348	Sep 16	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
46238	Jan 17	Office of Public Counsel	Oncor Electric Delivery	STM	Public Interest Review
46076	Dec 16	Cities	Entergy Texas Inc.	Fuel Reconciliation	Fuel Cost
46050	Aug 16	Cities	AEP Texas	STM	Public Interest Review
46014	Jul 16	Gulf Coast Coalition	CenterPoint Energy Houston	EECRF	EECRF Methodology
45788	May 16	Cities	AEP-TNC	DCRF	DCRF Methodology
45787	May 16	Cities	AEP-TCC	DCRF	DCRF Methodology
45747	May 16	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
45712	Apr 16	Cities	SWEPCO	DCRF	DCRF Methodology
45691	Jun 16	Cities	SWEPCO	TCRF	TCRF Methodology
45414	Feb 17	Office of Public Counsel	Sharyland	Cost of Service	Cost of Service
45248	May 16	City of Fritch	City of Fritch	Cost of Service (water)	Cost of Service
45084	Nov 15	Cities	Entergy Texas Inc.	TCRF	TCRF Methodology
45083	Oct 15	Cities	Entergy Texas Inc.	DCRF	DCRF Methodology
45071	Aug 15	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
44941	Dec 15	City of El Paso	El Paso Electric	Cost of Service	CEP Adjustments

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
44677	Jul 15	City of El Paso	El Paso Electric	EECRF	EECRF Methodology
44572	May 15	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
44060	May 15	City of Frisco	Brazos Electric Coop	CCN	Transmission Cost Recovery
43695	May 15	Pioneer Natural Resources	Southwestern Public Service	Cost of Service	Cost Allocation
43111	Oct 14	Cities	Entergy Texas Inc.	DCRF	DCRF Methodology
42770	Aug 14	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
42485	Jul 14	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
42449	Jul 14	City of El Paso	El Paso Electric	EECRF	EECRF Methodology
42448	Jul 14	Cities	SWEPCO	TCRF	Transmission Cost Recovery Factor
42370	Dec 14	Cities	SWEPCO	Rate Case Expenses	Rate Case Expenses
41791	Jan 14	Cities	Entergy Texas Inc.	Cost of Service	Cost of Service/Fuel
41539	Jul 13	Cities	AEP Texas North	EECRF	EECRF Methodology
41538	Jul 13	Cities	AEP Texas Central	EECRF	EECRF Methodology
41444	Jul 13	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
41223	Apr 13	Cities	Entergy Texas Inc.	ITC Transfer	Public Interest Review
40627	Nov 12	Austin Energy	Austin Energy	Cost of Service	General Fund Transfers
40443	Dec 12	Office of Public Counsel	SWEPCO	Cost of Service	Cost of Service/Fuel
40346	Jul 12	Cities	Entergy Texas Inc.	Join MISO	Public Interest Review
39896	Mar 12	Cities	Entergy Texas Inc.	Cost of Service/ Fuel Reconciliation	Cost of Service/ Nat Gas/ Purch Power

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
39366	Jul 11	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
38951	Feb 12	Cities	Entergy Texas Inc.	CGS Tariff	CGS Costs
38815	Sep 10	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
38480	Nov 10	Cities	Texas-New Mexico Power	Cost of Service	Cost of Service/Rate Design
37744	Jun 10	Cities	Entergy Texas Inc.	Cost of Service/ Fuel Reconciliation	Cost of Service/ Nat Gas/ Purch Power/ Gen
37580	Dec 09	Cities	Entergy Texas Inc.	Fuel Refund	Fuel Refund Methodology
36956	Jul 09	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
36392	Nov 08	Texas Municipal Power	Texas Municipal Power	Interim TCOS	Wholesale Transmission Rate
35717	Nov 08	Cities Steering Committee	Oncor Electric Delivery	Cost of Service	Cost of Service/Rate Design
34800	Apr 08	Cities	Entergy Gulf States	Fuel Reconciliation	Natural Gas/Coal/Nuclear
16705	May 97	North Star Steel	Entergy Gulf States	Fuel Reconciliation	Natural Gas/Fuel Oil
10694	Jan 92	PUC Staff	Midwest Electric Coop	Revenue Requirements	Depreciation/ Quality of Service
10473	Sep 91	PUC Staff	HL&P	Notice of Intent	Environmental Costs
10400	Aug 91	PUC Staff	TU Electric	Notice of Intent	Environmental Costs
10092	Mar 91	PUC Staff	HL&P	Fuel Reconciliation	Natural Gas/Fuel Oil
10035	Jun 91	PUC Staff	West Texas Utilities	Fuel Reconciliation Fuel Factor	Natural Gas Natural Gas/Fuel Oil/Coal
9850	Feb 91	PUC Staff	HL&P	Revenue Req. Fuel Factor	Natural Gas/Fuel Oil/ETSI Natural Gas/Coal/Lignite

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
9561	Aug 90	PUC Staff	Central Power & Light	Fuel Reconciliation	Natural Gas
				Revenue Requirements	Natural Gas/Fuel Oil
				Fuel Factor	Natural Gas
9427	Jul 90	PUC Staff	LCRA	Fuel Factor	Natural Gas
9165	Feb 90	PUC Staff	El Paso Electric	Revenue Requirements	Natural Gas/Fuel Oil
				Fuel Factor	Natural Gas
8900	Jan 90	PUC Staff	SWEPCO	Fuel Reconciliation	Natural Gas
				Fuel Factor	Natural Gas
8702	Sep 89	PUC Staff	Gulf States Utilities	Fuel Reconciliation	Natural Gas/Fuel Oil
	Jul 89			Revenue Requirements	Natural Gas/Fuel Oil
				Fuel Factor	Natural Gas/Fuel Oil
8646	May 89	PUC Staff	Central Power & Light	Fuel Reconciliation	Natural Gas
	Jun 89			Revenue Requirements	Natural Gas/Fuel Oil
				Fuel Factor	Natural Gas
8588	Aug 89	PUC Staff	El Paso Electric	Fuel Reconciliation	Natural Gas

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

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

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
Before the Louisiana Public Service Commission					
U-34344/ U-34717	Apr 18	PSC Staff	Dixie Electric Member Corporation	Formula Rate Plan	Stipulation
U-34344	Jan 18	PSC Staff	Dixie Electric Member Corporation	Formula Rate Plan	Adjusted Revenues
U-33633	Nov 15	PSC Staff	Entergy Louisiana, LLC/ Entergy Gulf States Louisiana	Resource Certification	Prudence
U-33033	Jul 14	PSC Staff	Entergy Louisiana, LLC/ Entergy Gulf States Louisiana	Resource Certification	Revenue Requirement
U-31971	Nov 11	PSC Staff	Entergy Louisiana, LLC/ Entergy Gulf States Louisiana	Resource Certification	Certification/Cost Recovery
Before the Arkansas Public Service Commission					
O7-105-U	Mar 08	Arkansas Customers	CenterPoint Energy, Inc. & pipelines serving CenterPoint	Gas Cost Complaint	Prudence / Cost Recovery
Before the Colorado Public Utilities Commission					
18A-0791E	Mar 19	Pueblo County	Black Hills Colorado Electric	Economic Development Rate	Tariff Issues

WILLIAM C. (BILL) STARNES

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

EDUCATION

1982 MBA - Management (Public Policy)
Texas A&M University

1979 BS - Geology
Stephen F. Austin State University

PROFESSIONAL HISTORY

1999 - ReSolved Energy Consulting
Vice-President

1991 – 1999 Navigant Consulting
Principal Executive Consultant

1990 – 1991 NorAm Energy Services
Manager - Planning and Administration

1982 – 1990 Tenneco Gas
Manager - Gas Purchasing
Manager - Contracts Administration
Supervisor - Operations Coordination
Intermediate Analyst - Rate Department
Executive Assistant - Sr. VP of Supply

Representative Project Experience

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TESTIMONY FILED

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

HONORS AND FELLOWSHIPS
John M. Olin Foundation Fellow, 1981
Washington Center for Learning Alternative Graduate Fellow, 1981

PRESENTATIONS
Texas Gas Association, Gas Pricing and Futures, May 1996, Austin, TX
KEMA Energy Conference, 2008

ERIN CROMLEIGH

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

EDUCATION

2015 NARUC Regulatory Studies Program
Michigan State University

2013 AGA Basic Rates School
University of Chicago

2013 Certificate of Mediation
Dispute Resolution Center, Austin

2007 B.B.A., Accounting
Texas State University, San Marcos

PROFESSIONAL HISTORY

2016- ReSolved Energy Consulting
Energy Consultant

2013-2016 Railroad Commission of Texas
Financial Analyst

2008-2013 Texas State Auditor's Office
Auditor