

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

I/M/O 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. 48:3-7.1; and (4) a Declaration that MAIT Will be Deemed a Public Utility for, inter alia, the Purposes of Sitting Authority under N.J.S.A. 40:55D-19 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 DAVID E. PETERSON
ON BEHALF OF THE
DIVISION OF RATE COUNSEL**

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Dated: August 12, 2016

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I. INTRODUCTION

1
2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
3 **ADDRESS.**

4 A. My name is David E. Peterson. I am a Senior Consultant employed by
5 Chesapeake Regulatory Consultants, Inc. ("CRC"). Our business address is 1698
6 Saefern Way, Annapolis, Maryland 21401-6529. I maintain an office in Dunkirk,
7 Maryland.

8
9 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE**
10 **IN THE PUBLIC UTILITY FIELD?**

11 A. I graduated with a Bachelor of Science degree in Economics from South Dakota
12 State University in May of 1977. In 1983, I received a Master's degree in
13 Business Administration from the University of South Dakota. My graduate
14 program included accounting and public utility courses at the University of
15 Maryland.

16
17 In September 1977, I joined the Staff of the Fixed Utilities Division of the South
18 Dakota Public Utilities Commission as a rate analyst. My responsibilities at the
19 South Dakota Commission included analyzing and testifying on ratemaking
20 matters arising in rate proceedings involving electric, gas and telephone utilities.

21
22 Since leaving the South Dakota Commission in 1980, I have continued
23 performing cost of service and revenue requirement analyses as a consultant. In
24 December 1980, I joined the public utility consulting firm of Hess & Lim, Inc. I
25 remained with that firm until August 1991, when I joined CRC. Over the years, I
26 have analyzed filings by electric, natural gas, propane, telephone, water,
27 wastewater, and steam utilities in connection with utility rate and certificate

1 proceedings before federal and state regulatory commissions. A copy of my
2 curriculum vitae is provided in Appendix A attached to my testimony.

3
4 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY IN PUBLIC**
5 **UTILITY RATE PROCEEDINGS?**

6 A. Yes. I have presented testimony in 153 other proceedings before the state
7 regulatory commissions in Alabama, Arkansas, California, Colorado,
8 Connecticut, Delaware, Indiana, Kansas, Maine, Maryland, Montana, Nevada,
9 New Jersey, New Mexico, New York, Pennsylvania, South Dakota, West
10 Virginia, and Wyoming, and before the Federal Energy Regulatory Commission.
11 Collectively, my testimonies have addressed the following topics: the appropriate
12 test year, rate base, revenues, expenses, depreciation, taxes, capital structure,
13 capital costs, rate of return, cost allocation, rate design, life-cycle analyses,
14 affiliate transactions, mergers, acquisitions, and cost-tracking procedures.

15
16 In addition, I testified twice before the Energy Subcommittee of the Delaware
17 House of Representatives on the issues of consolidated tax savings and tax
18 normalization. Also, I have presented seminars on public utility regulation,
19 revenue requirements, cost allocation, rate design, consolidated tax savings,
20 income tax normalization and other ratemaking issues to the Delaware Public
21 Service Commission, to the Commissioners and Staff of the Washington Utilities
22 and Transportation Commission, and to the Colorado Office of Consumer
23 Counsel.

24
25 **Q. HAVE YOU TESTIFIED IN OTHER PROCEEDINGS BEFORE THE**
26 **NEW JERSEY BOARD OF PUBLIC UTILITIES (“BOARD”)?**

27 A. Yes, I have. I have submitted testimony in the following proceedings before the
28 Board:

| 1 | | |
|----|-----------------------------------|-------------------|
| 2 | <u>Utility</u> | <u>Docket No.</u> |
| 3 | | |
| 4 | South Jersey Gas Company | GR8704329 |
| 5 | | GR03050413 |
| 6 | | GR03080683 |
| 7 | | GR10010035 |
| 8 | | |
| 9 | New Jersey-American Water Company | WR88070639 |
| 10 | | WR91081399J |
| 11 | | WR92090906J |
| 12 | | WR94030059 |
| 13 | | WR95040165 |
| 14 | | WR98010015 |
| 15 | | WR03070511 |
| 16 | | WR06030257 |
| 17 | | |
| 18 | ACE/Delmarva Merger | EM97020103 |
| 19 | Atlantic City Electric Company | ER03020110 |
| 20 | | ER11080469 |
| 21 | | |
| 22 | FirstEnergy/GPU Merger (JCP&L) | EM00110870 |
| 23 | Jersey Central Power & Light | ER02080506 |
| 24 | | ER05121018 |
| 25 | | ER12111052 |
| 26 | | EM14060581 |
| 27 | | |
| 28 | Rockland Electric Company | ER02100724 |
| 29 | | ER06060483 |
| 30 | | ER09080668 |
| 31 | | |
| 32 | Public Service Electric and Gas | EM00040253 |
| 33 | | GR09050422 |
| 34 | | GO12030188 |
| 35 | Exelon/PSE&G Merger | EM05020106 |
| 36 | Exelon/Pepco Holdings Merger | EM14060581 |
| 37 | | |
| 38 | Conectiv/Pepco Merger (ACE) | EM01050308 |
| 39 | | |
| 40 | Elizabethtown Gas Company | GR02040245 |
| 41 | | GR09030195 |

| | | |
|---|------------------------------------|------------|
| 1 | The Southern Company/AGL Resources | GM15101196 |
| 2 | | |
| 3 | United Water New Jersey, Inc. | WR07020135 |
| 4 | United Water Toms River | WR15020269 |
| 5 | | |
| 6 | New Jersey Natural Gas Company | GR07110889 |
| 7 | | |
| 8 | | |
| 9 | | |

10 **II. SUMMARY**

11 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

12 A. My appearance in this proceeding is on behalf of the Division of Rate Counsel
13 (“Rate Counsel”).

14
15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
16 **PROCEEDING?**

17 A. I was asked by Rate Counsel to address Jersey Central Power & Light Company’s
18 (“JCP&L”) and Mid-Atlantic Interstate Transmission, LLC (“MAIT”)
19 (collectively “the Petitioners”) proposals as they relate to setting rates for the
20 distribution service that MAIT will provide if the Petition and the Supplemental
21 Petition (collectively “the Petition”) are granted. My testimony also briefly
22 discusses the impact of the proposed transaction on JCP&L’s Service Company
23 costs and a specific modification to the Mutual Assistance Agreement (“MAA”)
24 that is required if the Petition is granted.

25
26 **Q. WHAT HAVE YOU DONE IN PREPARATION FOR YOUR TESTIMONY**
27 **IN THIS PROCEEDING?**

28 A. I have carefully reviewed the June 19, 2015 Petition and the April 22, 2016
29 Supplemental Petition in this proceeding along with the Direct Testimonies and

1 Exhibits sponsored by Petitioners' witnesses relating to the issues that I address
2 herein. In addition, I reviewed the Petitioners' responses to data requests of Rate
3 Counsel and the Board Staff relating to the issues that I address in my testimony.
4

5 **Q. BEFORE DISCUSSING YOUR SPECIFIC FINDINGS AND**
6 **RECOMMENDATIONS, PLEASE PROVIDE A BRIEF SUMMARY OF**
7 **THAT PORTION OF THE PROPOSED TRANSACTION RELATING TO**
8 **THE MAIN ISSUE ADDRESSED IN YOUR TESTIMONY.**

9 A. The majority of my testimony addresses the distribution rate issue raised by the
10 Petitioners' April 22, 2016 Supplemental Petition. Recall that in its June 19, 2015
11 Petition, the Petitioners requested the Board's designation of MAIT as a New
12 Jersey public utility. In response to a motion by Rate Counsel, on February 24,
13 2016, however, the Board issued an order declaring that MAIT would not be
14 designated a public utility because it would not own any distribution assets.¹
15 Thereafter, in response to the Board's February 24th Order, the Petitioners
16 submitted a Supplemental Petition outlining a plan for JCP&L to contribute
17 certain distribution assets to MAIT and, along with those assets, five of JCP&L's
18 present distribution customers also would be transferred to MAIT. The specific
19 distribution assets to be contributed are identified in the Supplemental Direct
20 Testimony of K. Jon Taylor and include five substations, associated equipment
21 that connect the substations to the customers, and related property rights. If
22 approved as proposed, following the transaction, MAIT will have its own New
23 Jersey distribution tariff for those five customers that are to be transferred from
24 JCP&L to MAIT. Even though MAIT will maintain its own distribution tariff
25 separate and apart from that of JCP&L, the Petitioners propose that,

¹ I/M/O the Verified Petition of JCP&L and MAIT For Approval of the Transfer of JCP&L's
Transmission Assets to MAIT, BPU Docket Nos. EM15060733 and EF02030185, *Order Addressing Rate
Counsel Motion to Determine if MAIT can be Designated a Public Utility*, February 24, 2016, at page 13.

1 prospectively, JCP&L and MAIT "...will file a single, joint petition for all rate
2 changes, including base rate cases, rate clauses, and all other elements of their
3 New Jersey distribution rate structures."² That is, MAIT's distribution cost of
4 service will be rolled-in with JCP&L's distribution cost of service in a single rate
5 filing and the GP rates that result therefrom will be the same for both JCP&L's
6 and for MAIT's customers, including all existing tariff riders that are included in
7 JCP&L's current tariff.
8

9 **Q. PLEASE PROVIDE A BRIEF SUMMARY OF YOUR CONCLUSIONS**
10 **AND RECOMMENDATIONS.**

11 A. A summary of my conclusions and recommendations is as follows:

- 12 • **MAIT's Distribution Rate** - The Petitioners' proposal to file joint
13 distribution rate cases and to adopt the same distribution rates will result in
14 unjust and unreasonable rates for both utilities in that such rates will not
15 reflect the actual cost of service for each utility. Moreover, transferring
16 five of JCP&L's distribution customers to MAIT without compensation is
17 unfair to JCP&L and the remainder of its New Jersey customers.
18 Presently, those five customers are providing margins to JCP&L that help
19 reduce the average cost of service to all of JCP&L's New Jersey
20 customers. Following the proposed transaction, the margins received from
21 service to those five customers, both now and in the future, will be lost
22 resulting in a negative impact on JCP&L's customers. Therefore, if the
23 transaction is approved, the Board should require that JCP&L be
24 adequately compensated for the lost margins from the five distribution
25 customers that will be transferred to MAIT. The Board also should

² Second Supplemental Direct Testimony of Mark A. Mader, Petition Exhibit P-2 Supplemental 2, page 4.

1 require that MAIT's distribution rate be set on a stand-alone basis
2 reflecting MAIT's own cost of service.

- 3 • **JCP&L's Service Company Costs** – The Petitioners propose to add
4 MAIT as a participant in the FirstEnergy Service Company Agreement.
5 As a result, certain administrative and other indirect costs that were
6 previously billed to JCP&L and other participants in the Service Company
7 Agreement will be billed to MAIT following the transaction. The
8 Petitioners' estimate that the allocation of indirect Service Company costs
9 to MAIT will reduce JCP&L's Service Company costs by 10 percent
10 annually or \$6.3 million based on 2014 Service Company costs.³
11 Therefore, if the transaction is approved as proposed, I recommend that
12 the portion of the reduction in Service Company charges related to
13 JCP&L's distribution operations be reflected immediately in JCP&L's
14 distribution rates, either in JCP&L's pending base rate proceeding or
15 through a special rate rider until the reduction can be reflected in base
16 rates. In addition, I recommend that the Petitioners' estimate of the
17 change in Service Company costs be updated to reflect more current costs,
18 preferably the twelve month period ended June 30, 2016, to match the test
19 period in JCP&L's pending base rate proceeding.

- 20 • **Mutual Assistance Agreement** – As presently written, the Mutual
21 Assistance Agreement ("MAA"), in which MAIT intends to participate,
22 requires that additional services sought to be included in the MAA be filed
23 with the Pennsylvania Public Utility Commission for review. There is no
24 mention of the New Jersey Board's review of additional services to be
25 included in the MAA. The MAA, shown in Exhibit KJT-3 (Redline)
26 Exhibit A, page 3, under paragraph 1. *Services*, should be amended to

³ See Petitioners response to Rate Counsel discovery request RCR-SC-15.

1 include the Board's review of any new services sought to be added under
2 the MAA.

3
4 **III. MAIT DISTRIBUTION RATES**

5 **Q. IN THE SUMMARY OF YOUR TESTIMONY YOU STATED THAT THE**
6 **PETITIONERS SELECTED FIVE OF JCP&L'S DISTRIBUTION**
7 **CUSTOMERS TO BE TRANSFERRED TO MAIT. HOW WERE THOSE**
8 **CUSTOMERS SELECTED?**

9 A. It is not entirely clear precisely what criteria were used for selecting the customers
10 to be transferred to MAIT. What is known, however, is that none of the five
11 customers connect with other JCP&L distribution assets other than the substations
12 that will be transferred to MAIT. Also, all five customers presently receive
13 transmission service under JCP&L's Rate GP. Two of the five receive
14 transmission service at 12.47kV; the other three take transmission service at 4.16
15 kV.⁴

16
17 **Q. ARE THERE SIMILARLY SITUATED CUSTOMERS IN JCP&L'S**
18 **SERVICE TERRITORY THAT WERE NOT DESIGNATED TO BE**
19 **TRANSFERRED TO MAIT?**

20 A. Yes, there are.⁵ Although, no reason was given for why these specific five
21 customers were chosen over all other similarly situated customers.

22
23 **Q. HOW WILL JCP&L BE COMPENSATED FOR THE TRANSFER OF**
24 **DISTRIBUTION ASSETS?**

25 A. Under the proposed transaction, JCP&L will contribute to MAIT the distribution
26 assets in question. JCP&L's Class B membership in MAIT will then reflect the

⁴ See the Petitioners' response to Rate Counsel discovery request RCR-P-48.

⁵ See the Petitioners' response to Rate Counsel discovery request RCR-SC-36.

1 transfer of JCP&L's distribution assets at their "carrying value," i.e., depreciated
2 book value at the time of the transaction.

3
4 **Q. IS THE TRANSFER AT CARRYING VALUE APPROPRIATE?**

5 A. No, it is not. Rate Counsel witness Kevin O'Donnell addresses the appropriate
6 valuation for JCP&L's transmission and distribution assets in his testimony.
7 Moreover, the provisions of the proposed Operating Agreement (Petitioners
8 Exhibit SRS-1) also make transferring the asset at their carrying value
9 inappropriate. Paragraph 3.4 of the Operating Agreement provides that should
10 MAIT subsequently sell the transferred assets (either transmission or distribution,
11 or both) at full market value, Class B owners, including JCP&L, will receive only
12 the remaining book value for the sale. MAIT's parent and FirstEnergy will retain
13 any acquisition premium for its stockholders. JCP&L's customers, who have
14 been paying for those assets all along, would not share in the profits. It is unfair
15 to exclude JCP&L's customers from the potential profits on assets they have been
16 paying for all along.

17
18 **Q. WILL JCP&L BE COMPENSATED FOR THE FIVE DISTRIBUTION**
19 **CUSTOMERS THAT WILL BE TRANSFERRED TO MAIT?**

20 A. No, not under the proposed transaction. JCP&L proposes to simply transfer the
21 five distribution customers without remuneration.

22
23 **Q. IS TRANSFERRING CUSTOMERS WITHOUT COMPENSATION**
24 **REASONABLE?**

25 A. No, it is not. No business owner would intentionally give away its customers
26 without first securing some type of compensation. The five distribution
27 customers in question presently provide some level of margin to JCP&L that acts
28 to reduce the average distribution cost of service for other JCP&L customers.

1 Therefore, transferring those customers to MAIT imposes a real cost onto
2 JCP&L's remaining customers in the form of lost margins. JCP&L's remaining
3 customers are, therefore, entitled to just compensation for the loss of those five
4 customers. Rate Counsel is also aware that at least one of the five customers to be
5 transferred has plans for significant commercial and residential development in
6 the near future. We have no way of knowing now whether JCP&L or MAIT will
7 serve those new loads, but, if MAIT is to serve those new loads, JCP&L's
8 remaining customers will be significantly disadvantaged by JCP&L not
9 recognizing the full economic value of the transfer of the five transmission
10 customers to MAIT.

11
12 **Q. WHAT RATEMAKING TREATMENT IS BEING PROPOSED BY THE**
13 **PETITIONERS FOR MAIT'S DISTRIBUTION SERVICES?**

14 A. MAIT will maintain separate financial statements encompassing its own
15 investments, revenues and expenses. MAIT also will have its own New Jersey
16 tariff, separate and apart from that of JCP&L. Even though MAIT will have its
17 own distribution tariff, the Petitioners propose that, prospectively, JCP&L and
18 MAIT will make joint filings for rate changes, rate clauses and all other elements
19 of their rate structures. In essence, the two separate utilities will combine their
20 investments, revenues and costs for rate making purposes and develop blended
21 rates applicable to both JCP&L's and MAIT's retail customers.

22
23 **Q. DO YOU AGREE WITH THE BLENDED RATE APPROACH PROPOSED**
24 **BY THE PETITIONERS?**

25 A. No, I do not. Cost of service ratemaking has been the predominate form of
26 regulation both in New Jersey and most elsewhere for decades. Moreover, I have
27 consistently advocated that public utility rates be set based on a utility's own,
28 provable costs. That is, rates should be sufficient to provide a reasonable

1 opportunity for each utility to recover its own operating costs and a fair return on
2 capital invested for public service. The blended rate approach advocated by the
3 Petitioners, however, does not meet this standard. Under the Petitioners proposed
4 blended rate approach, there will be no determination of each utility's stand-alone
5 earned return and, thus, no determination that the blended rates are just and
6 reasonable, and not excessive, to each utility. Cost-based ratemaking requires that
7 JCP&L and MAIT each establish stand-alone rates based on their own, unique
8 costs of service. There are no reasons given in the Petitioners' testimony that
9 justifies departing from separate, utility-specific, cost-based ratemaking for
10 JCP&L and MAIT.

11
12 It is virtually unheard of for two regulated public utilities to share the same
13 distribution rates. I know of no similar situation in New Jersey. In fact,
14 traditional ratemaking practices in New Jersey essentially guarantee separate,
15 unique rates for each utility, even if there is common corporate ownership among
16 certain utilities, as in this case. Separate rates for each utility results because the
17 Board has required that rates be based on each utility's own, provable costs. No
18 two utilities have identical costs, even if they are corporate affiliates. Thus, the
19 only conceivable way to justify a blended rate treatment is to abandon the Board's
20 cost standard for ratemaking. But, adequate justification has not been presented
21 in this proceeding for doing so.

22
23 **Q. HOW DO THE PETITIONERS ATTEMPT TO JUSTIFY JCP&L AND**
24 **MAIT CHARGING THE SAME DISTRIBUTION RATES?**

25 A. Support for the Petitioners blended rate proposal is contained in the following
26 passage from Mr. Mader's Second Supplemental Direct Testimony:

27 "MAIT will rely on services provided by JCP&L through the Mutual
28 Assistance Agreement ("MAA"), and services provided by FirstEnergy Service

1 Company via the FirstEnergy Service Agreement (“Service Agreement”), to
2 deliver all aspects of retail service to its retail customers, which assures the
3 continued benefits from efficiencies and economies of scale. As such, and in the
4 aggregate, the cost to provide service to similarly-situated customers of MAIT
5 and JCP&L, over time, should not be dissimilar.⁶
6
7

8 **Q. DO YOU AGREE THAT BECAUSE MAIT WILL RECEIVE SERVICES**
9 **UNDER BOTH THE MAA AND THE SERVICE AGREEMENT ITS**
10 **COSTS TO PROVIDE SERVICE TO SIMILARLY SITUATED JCP&L**
11 **CUSTOMERS WILL NOT BE DISSIMILAR?**

12 A. No, I do not. There is no proof that supports Mr. Mader’s claim, nor is there any
13 logic to it. In several instances, Rate Counsel asked the Petitioners for a
14 quantification of MAIT’s expected cost of service.⁷ While some cost information
15 ultimately was provided, a comprehensive analysis of MAIT’s expected cost of
16 service was never provided. Thus, despite Rate Counsel’s repeated attempts to
17 verify Mr. Mader’s statement, there is no quantitative support for his claim.
18

19 Nor is there any logic in Mr. Mader’s claim. There is very little distribution
20 investment being contributed to MAIT – approximately \$257,124. Thus, the
21 return and depreciation expense revenue requirements on contributed distribution
22 property is likely to be quite small, at least initially, in comparison to JCP&L’s
23 distribution plant related revenue requirements. Moreover, even though MAIT
24 will receive services under the MAA and the Service Agreement, there is no
25 reason to believe that its costs will be similar to JCP&L’s. MAIT will be directly
26 billed under the MAA for its unique service requirements. That is, MAIT will be
27 billed through the MAA for operations and maintenance services only to the
28 extent that it requires those services. If no services on the five substations are

⁶ Second Supplemental Testimony of Mark A. Mader, Exhibit P-2 Supplemental No. 2, page 4.

⁷ See the Petitioners’ responses to Rate Counsel discovery requests RCR-F-43, RCR-F-44, RCR-F-45, RCR-F-50 and RCR-SC-40.

1 required, none will be billed. The same is true for direct Service Company
2 charges. If no direct services are required, none will billed to MAIT. MAIT,
3 however, will receive an allocation of the Service Company's indirect costs. But,
4 because the MAA and the direct Service Company costs are billed on request
5 only, it is only by pure happenstance that MAIT's costs would be equal to
6 JCP&L's. It is more likely that MAIT's O&M costs will vary significantly, year-
7 to-year, when there are maintenance issues with the five substations. MAIT's
8 distribution investment and related revenue requirements may also change
9 significantly if one or more of the substations need substantial repairs or
10 replacement. In this respect, JCP&L's distribution costs are likely to be more
11 stable than MAIT's. But, I do not expect costs for the two utilities to be similar as
12 Mr. Mader claims. Thus, there is no cost support for developing blended
13 distribution rates for JCP&L and MAIT as the Petitioners proposed. The only
14 way that blended rates can be "justified" in this instance is for the Board to
15 abandon its long-standing precedent for setting rates based on each utility's own
16 provable costs. There simply is no reason for abandoning cost based rates in this
17 proceeding.

18
19 **Q. IS THERE ANOTHER CONCERN WITH THE PETITIONERS'**
20 **BLENDED RATE PROPOSAL?**

21 A. Yes, there is. Because JCP&L and MAIT will share a blended rate, MAIT
22 customers will also be charged for all of JCP&L's rate riders. Imposing the riders
23 on MAIT customers can be quite unfair. For example, MAIT customers will be
24 assessed charges under JCP&L's Rider UNC for uncollectible accounts even if
25 MAIT customers impose no uncollectible accounts expenses on MAIT.

1 **Q. HOW THEN SHOULD MAIT'S DISTRIBUTION RATES BE**
2 **DETERMINED?**

3 A. There are specific requirements established by the Board for regulated public
4 utilities to file and to justify distribution rates, based on each utility's own, unique
5 costs and service requirements. If the Board designates MAIT a New Jersey
6 regulated public utility, MAIT should be required to follow those prescribed
7 procedures, just as do all other regulated public utilities in New Jersey. The
8 Board should specifically reject the Petitioners request to establish blended rates
9 for JCP&L and MAIT.

10
11 **Q. SHOULD THE PETITIONERS AMENDED PETITION BE APPROVED?**

12 A. No, it should not be approved; at least not in its present form. The proposed
13 transfer of JCP&L's distribution assets to MAIT at depreciated book value is
14 inappropriate. The proposed transfer of five JCP&L distribution customers to
15 MAIT without compensation is inappropriate. Finally, the Petitioners' proposed
16 blended rate for JCP&L and MAIT's distribution rates is inappropriate because
17 there is no showing that the resulting rates are just and reasonable to each utility.
18 Thus, the Amended Petition should be rejected by the Board.

19
20 **IV. JCP&L SERVICE COMPANY COSTS**

21
22 **Q. ARE THERE ADVERSE RATE IMPLICATIONS FOR JCP&L**
23 **ASSOCIATED WITH THE PROPOSED TRANSACTION?**

24 A. Yes, there are. If JCP&L contributes its transmission and certain distribution
25 assets to MAIT as proposed, MAIT will become a participating affiliate in the
26 FirstEnergy Service Company Agreement. At that time, the Service Company
27 will re-calculate its indirect cost allocation factors for each participating member,
28 including JCP&L. Attached as Exhibit__(DEP-1) is a schedule provided by the

1 Petitioners in response to a Rate Counsel discovery request showing FirstEnergy
2 Service Company's indirect cost allocation factors prior to the transaction and *pro*
3 *forma* following the transaction, based on 2014 statistics.⁸ As can be seen on this
4 schedule, there will be a significant reduction in indirect Service Company costs
5 being allocated to JCP&L following the transaction. The Petitioners estimated
6 that the reduced indirect cost allocation factors for JCP&L will result in an
7 approximate 10 percent reduction in Service Company costs being allocated to
8 JCP&L annually or \$6.3 million.⁹ Since Service Company charges are a
9 significant portion of JCP&L's annual distribution revenue requirement, reducing
10 Service Company charges has a direct implication on JCP&L's distribution
11 revenue requirement and rates.

12
13 **Q. HOW SHOULD THE REDUCTION IN ALLOCATED SERVICE**
14 **COMPANY COSTS BE ADDRESSED?**

15 A. If the transaction is approved, I recommend that the portion of the reduction in
16 Service Company charges relating to JCP&L's distribution operations be
17 immediately reflected as a reduction in JCP&L's distribution rates, either in
18 JCP&L's pending base rate proceeding or through a special rate rider until the
19 reduction can be reflected in base rates. In addition, I recommend that the
20 Petitioners' estimate of the change in Service Company costs be updated to reflect
21 more current costs, preferably the twelve-month period ended June 30, 2016, to
22 match the test period in JCP&L's pending base rate proceeding.

23

⁸ See Petitioners' response to Rate Counsel discovery request RCR-SC-14.

⁹ See Petitioners' response to Rate Counsel discovery request RCR-SC-15.

1 **V. MUTUAL ASSISTANCE AGREEMENT**

2 **Q. IS THERE A MODIFICATION TO THE MUTUAL ASSISTANCE**
3 **AGREEMENT THAT WILL BE REQUIRED IF THE PROPOSED**
4 **TRANSACTION IS APPROVED?**

5 A. Yes. As presently written, the Mutual Assistance Agreement (“MAA”), in which
6 MAIT intends to participate, requires that additional services sought to be
7 included in the MAA be filed with the Pennsylvania Public Utility Commission
8 for review. There is no mention of the Board’s review of services to be included
9 in the MAA. Therefore, the MAA, shown in Petitioner Exhibit KJT-3 (Redline)
10 Exhibit A, page 3, under paragraph 1. *Services*, should be amended to include the
11 Board’s review of any new services sought to be added under the MAA.

12
13
14 **VI. RECOMMENDATIONS**

15 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS ON THE ISSUES**
16 **YOU PRESENDED IN YOUR DIRECT TESTIMONY.**

17 A. My recommendations are as follows:

- 18 • The Board should reject the Petitioners’ Supplemental Petition transferring
19 certain distribution assets and five customers from JCP&L to MAIT.
- 20 • If the Supplemental Petition is approved, the Board should require that
21 JCP&L be adequately compensated for both the distribution assets that it
22 will contribute to MAIT and the five customers that will be transferred to
23 MAIT, including compensation for future lost margins.
- 24 • If the Supplemental Petition is approved, the Board should reject the
25 Petitioners’ blended rate approach for establishing distribution rates and
26 require that MAIT’s distribution rates be set based on MAIT’s stand-alone
27 cost of service.

- 1 • If the Petition is approved, a reduction in Service Company costs allocated
2 to JCP&L should be immediately reflected in JCP&L's rates based on
3 current (or test period) allocation of Service Company costs.
4 • The MAA should be modified to require the Board's approval before
5 adding new services to be provided under the MAA.

6

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?**

8 **A. Yes, it does.**

EXHIBIT DEP-1

Data Request: RCR-SC-14
Witness: K. Jon Taylor

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. 48:3-7.1; 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-19 and Eminent Domain Authority Pursuant to N.J.S.A. 48:3-17.6 et seq.
BPU Docket No. EM15060733

RESPONSE TO DATA REQUEST

RCR-SC-14 Please provide a list of FirstEnergy Service Company’s currently effective cost allocation percentage factors applicable to JCP&L and the estimated *pro forma* cost allocation factors immediately following the Transaction.

Response: See RCR-SC-14 Attachment for a list of FirstEnergy Service Company’s 2015 cost allocation percentage factors applicable to JCP&L and the change to the estimated *pro forma* cost allocation factors following the Transaction. The *pro forma* cost allocation factors shown in RCR-SC-14 Attachment are estimates and subject to changes based on actual inputs upon closing of the transaction.

FirstEnergy Service Company Cost Allocation Factors to Jersey Central Power & Light

| Multiple Factor Utility | | Current | Pro forma |
|--|--------------------------------------|----------------|------------------|
| MU1 | Jersey Central Power & Light Company | 17.29% | 15.33% |
| | JC01 | | |
| MU2 | Jersey Central Power & Light Company | 18.32% | 15.84% |
| | JC01 | | |
| MU3 | Jersey Central Power & Light Company | 19.05% | 16.43% |
| | JC01 | | |
| MU6 | Jersey Central Power & Light Company | 44.54% | 34.09% |
| | JC01 | | |
| MU4 | Jersey Central Power & Light Company | 28.44% | 23.27% |
| | JC01 | | |
| Multiple Factor All | | | |
| MA1 | Jersey Central Power & Light Company | 9.40% | 8.65% |
| | JC01 | | |
| MA7 | Jersey Central Power & Light Company | 12.99% | 11.40% |
| | JC01 | | |
| Multiple Factor Utility/Non-Utility | | | |
| MT2 | Jersey Central Power & Light Company | 9.90% | 9.12% |
| | JC01 | | |
| MT10 | Jersey Central Power & Light Company | 14.90% | 13.19% |
| | JC01 | | |

APPENDIX A

QUALIFICATIONS OF

DAVID E. PETERSON

**STATEMENT OF EDUCATION AND EXPERIENCE
FOR
DAVID E. PETERSON**

Senior Consultant
Chesapeake Regulatory Consultants, Inc.
10351 Southern Maryland Blvd. Suite 202
Dunkirk, Maryland 20754-9500
410.286.0503

Email: davep@chesapeake.net

Mr. Peterson is employed as a public utility rate consultant by Chesapeake Regulatory Consultants, Inc. Mr. Peterson has over thirty-seven years of experience analyzing regulated public utility ratemaking and service matters including three years as a member of a state regulatory commission staff and thirty-four years as a consultant. Mr. Peterson specializes in utility revenue requirement and cost of service analyses. He has presented testimony in 150 proceedings before twenty state regulatory commissions, the Delaware House Energy Subcommittee, and the Federal Energy Regulatory Commission. Utilities addressed in Mr. Peterson's analyses and testimonies have included electric, natural gas, propane, telephone, water, steam and sewer companies.

EMPLOYMENT

| | |
|----------------|--|
| 1991 - Present | Senior Consultant Chesapeake Regulatory Consultants, Inc. Annapolis, Maryland |
| 1980 - 1991 | Consultant Hess & Lim, Inc. Greenbelt, Maryland |
| 1977 - 1980 | Rate Analyst South Dakota Public Utilities Commission Pierre, South Dakota |
| 1977 | Research Assistant Economics Department South Dakota State University Brookings, South Dakota |

As a rate analyst and consultant, Mr. Peterson has served a diverse group of public utility consumers and governmental agencies on utility ratemaking and service-related issues. Clients have included state regulatory commissions and their staffs, consumer advocate agencies of state governments, federal agencies, municipalities, privately owned, municipally owned and cooperatively owned utilities, civic organizations, and industrial consumers.

EDUCATION

December 1983 Master of Business Administration
University of South Dakota
Vermillion, South Dakota

May 1977 Bachelor of Science Degree in Economics
South Dakota State University
Brookings, South Dakota

EXPERT TESTIMONY

Among the issues that Mr. Peterson has addressed in testimony are the appropriate test year, construction work in progress, cash working capital lead/lag studies, rate base, excess capacity, revenues, expenses, depreciation, income taxes, capital structure, rate of return, cost allocation, rate design, customer service charges, flexible rates, life-cycle analyses, cost tracking procedures, affiliate transactions, mergers, acquisitions and the consequences of industry restructuring. Mr. Peterson has presented testimony to the following regulatory bodies.

Alabama Public Service Commission
Arkansas Public Service Commission
California Public Utilities Commission
Colorado Public Utilities Commission
Connecticut Public Utilities Control Authority

Delaware Public Service Commission
Indiana Public Service Commission
Kansas State Corporation Commission
Maine Public Utilities Commission
Maryland Public Service Commission

Montana Public Service Commission
Nevada Public Service Commission
New Jersey Board of Public Utilities
New Mexico Public Service Commission
New York Dept. of Environmental Protection

New York Public Service Commission
Pennsylvania Public Utility Commission
South Dakota Public Utilities Commission
West Virginia Public Service Commission
Wyoming Public Service Commission

Delaware House of Representatives (Energy Subcommittee)
Federal Energy Regulatory Commission

In addition, Mr. Peterson has presented several utility training seminars, including the following:

Consolidated Tax Savings and Income Tax Normalization
Presented to Delaware Public Service Commission 2006

Public Utility Ratemaking Principles
Presented to Washington Utilities and Transportation Commission 2011

Electric Cost Allocation and Rate Design
Presented to Colorado Office of Consumer Counsel 2012

Public Utility Revenue Requirements
Presented to Delaware Public Service Commission 2012

Electric Cost Allocation and Rate Design
Presented to Delaware Public Service Commission 2013

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Proceedings In Which Mr. Peterson Filed Testimony

| Jurisdiction | Date | Utility | Case No. | Client | Issues Addressed |
|---------------------|-------|---|-----------------|-----------------------------------|-------------------------------------|
| 1. South Dakota PUC | 12/77 | Iowa Public Service Co. (electric) | F-3179 | Commission Staff | Operating expenses |
| 2. South Dakota PUC | 10/78 | Montana-Dakota Utilities Co. (electric & gas) | F-3240-3241 | Commission Staff | Cash working capital and inflation |
| 3. South Dakota PUC | 01/79 | Black Hills Power and Light Co. (electric) | F-3282 | Commission Staff | Cash working capital |
| 4. South Dakota PUC | 05/79 | Northwestern Public Service Co. (electric) | F-3301 | Commission Staff | Cash working capital |
| 5. South Dakota PUC | 07/79 | Minnesota Gas Company (gas) | F-3302 | Commission Staff | Operating expenses |
| 6. South Dakota PUC | 11/79 | Montana-Dakota Utilities Co. (gas) | F-3312 | Commission Staff | Rate base & cash working capital |
| 7. South Dakota PUC | 10/80 | Montana-Dakota Utilities Co. (gas) | F-3355 | Commission Staff | Cash working capital |
| 8. South Dakota PUC | 10/80 | Northern States Power Co. (electric) | F-3353 | Commission Staff | Rate design |
| 9. Alabama PSC | 05/81 | Alabama Gas Corporation (gas) | 19046 | Attorney General | Revenue requirements |
| 10. FERC | 07/82 | Pennsylvania Power Company (electric) | ER81-779 | Municipal wholesale customers | Operating expenses |
| 11. FERC | 11/82 | Utah Power and Light Co. (electric) | ER82-211 | Muni. & Coop. wholesale customers | Taxes and cash working capital |
| 12. Indiana PSC | 05/83 | Generic PGA investigation | 37091 | US Steel Corp. | Rate design and PGA's |
| 13. New Mexico PSC | 02/84 | Public Service Co. of New Mexico (electric) | 1835 | Attorney General | Depreciation & cash working capital |
| 14. FERC | 03/84 | Utah Power and Light Co. (electric) | ER83-427&428 | Muni. & Coop. wholesale customers | Revenue requirements |
| 15. FERC | 07/84 | Generic - Cash Working Capital NOPR | RM84-9-000 | Muni. & Coop. wholesale customers | Cash working capital |
| 16. Colorado PSC | 11/84 | Public Service Co. of Colorado (electric) | 1640 (Phase II) | Consumer Counsel | Price elasticity |
| 17. Montana PSC | 11/84 | Pacific Power & Light Co. (electric) | 84.7.38 | Consumer Counsel | Revenue requirements, elasticity |
| 18. Montana PSC | 10/85 | Pacific Power & Light Co. (electric) | 84.7.38 | Consumer Counsel | Plant life cycle costs |
| 19. Montana PSC | 02/86 | Pacific Power & Light Co. (electric) | 85.10.41 | Consumer Counsel | Revenue requirements |
| 20. FERC | 08/86 | Niagara Mohawk Power Corp. (electric) | ER86-354 | NY Transit Authority | Class cost allocation |
| 21. Maryland PSC | 01/87 | Eastern Shore Gas Co. (propane) | 8010 | People's Counsel | Revenue requirements |
| 22. New Jersey BPU | 09/87 | South Jersey Gas Co. (gas) | GR8704329 | Industrial intervenors | Revenue requirements |
| 23. FERC | 03/88 | Niagara Mohawk Power Corp. (electric) | ER87-612 | NY Transit Authority | Class cost allocation |
| 24. Colorado PUC | 11/88 | Mountain Bell (telephone) | 36883 | Consumer Counsel | ELG depreciation |
| 25. New Jersey BPU | 12/88 | New Jersey-American Water (water) | WR88070639 | Wholesale customer | Class cost allocation |

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Proceedings In Which Mr. Peterson Filed Testimony

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|------------------------|-------|--|---------------|----------------------------|-----------------------------------|
| 26. Maryland PSC | 01/89 | Chesapeake Utilities Corp. (gas) | 8157 | People's Counsel | Revenue requirements |
| 27. Maryland PSC | 04/89 | Easton Utilities Commission (electric) | 8176 | People's Counsel | Revenue requirements |
| 28. Colorado PUC | 07/89 | Mountain Bell (telephone) | 36883 | Consumer Counsel | Refund procedures |
| 29. Maryland PSC | 09/89 | Town of Berlin, MD (electric) | 8210 | People's Counsel | Revenue requirements |
| 30. Kansas Corp. Comm. | 10/90 | Kansas Public Service Co. (gas) | 171,827-U | CURB | Revenue requirements, rate design |
| 31. Colorado PUC | 01/91 | US West Communications (telephone) | 90S-544T | Consumer Counsel | Revenue requirements |
| 32. New Jersey BRC | 01/92 | New Jersey-American Water (water) | WR91081399J | Wholesale customers | Cost allocation, rate design |
| 33. Maine PUC | 01/92 | Portland Water District (water) | 91-162 | Intervenor Cities | Cost allocation |
| 34. Maryland PSC | 04/92 | Columbia Gas of Maryland (gas) | 8437 | People's Counsel | Revenue requirements |
| 35. West Virginia PSC | 07/92 | West Virginia-American Water (water) | 92-0250-W-42T | Consumer Advocate Division | Revenue requirements |
| 36. Maryland PSC | 08/92 | Easton Utilities Commission (gas) | 8467 | People's Counsel | Revenue Requirements |
| 37. Kansas Corp. Comm. | 10/92 | Arkansas-Louisiana Gas Co. (gas) | 181,200-U | CURB | Revenue Requirements |
| 38. New York PSC | 10/92 | New York-American Water (water) | 92-W-0494 | New York Municipals | Revenue requirements |
| 39. Connecticut DPUC | 10/92 | Connecticut-American Water (water) | 92-06-12 | New York Municipals | Cost allocation, rate design |
| 40. West Virginia PSC | 12/92 | West Virginia-American Water (water) | 92-0992-W-PC | Consumer Advocate Division | SFAS 106 |
| 41. New Jersey BRC | 02/93 | New Jersey-American Water (water) | WR92090906J | Wholesale customers | Cost allocation, rate design |
| 42. Colorado PUC | 05/93 | Public Servic Co. of Colorado (elec.gas&stea | 93S-001EG | Consumer Counsel | Future test year |
| 43. West Virginia PSC | 07/93 | Hope Gas, Inc. (gas) | 93-0004-G-42T | Consumer Advocate Division | Revenue requirements |
| 44. Maine PUC | 09/93 | Portland Water District (water) | 93-027 | Intervenor Cities | Cost allocation |
| 45. Arkansas PSC | 09/93 | Arkansas Louisiana Gas Co. (gas) | 93-081-U | Attorney General CURAD | Revenue requirements |
| 46. Maryland PSC | 11/93 | Town of Berlin, MD (electric) | 8590 | People's Counsel | Revenue requirements |
| 47. Nevada PSC | 05/94 | Nevada Power Company (electric) | 93-11045 | Consumer Advocate | Revenue requirements |
| 48. New Jersey BPU | 06/94 | New Jersey-American Water (water) | WR94030059 | Wholesale customers | Cost allocation, rate design |
| 49. New York DEC | 08/94 | New York City Water Board (water) | 8865 | Scarsdale, NY | Revenue requirements |
| 50. West Virginia PSC | 09/94 | West Virginia-American Water (water) | 94-0138-W-42T | Consumer Advocate Division | Revenue requirements |

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|-----------------------|-------|---|---------------|--------------------------------|----------------------------------|
| 51. Arkansas PSC | 11/94 | Arkla, Inc. (gas) | 94-175-U | Attorney General CURAD | Revenue requirements |
| 52. New York PSC | 12/94 | New York-American Water (water) | 94-W-0579 | New York Municipalities | Prudence review purchased water |
| 53. New Jersey BPU | 08/95 | New Jersey-American Water (water) | WR95040165 | Wholesale customers | Cost allocation, rate design |
| 54. Colorado PUC | 08/95 | Greeley Gas (gas) | 95S-146G | Consumer Counsel | Cost allocation, rate design |
| 55. Colorado PUC | 09/95 | San Miguel Power Assoc. (electric) | 95I-144E | Consumer Counsel | Cost allocation, rate design |
| 56. West Virginia PSC | 09/95 | West Virginia-American Water (water) | 95-0228-W-42T | Consumer Advocate Division | Revenue requirements |
| 57. Colorado PUC | 03/96 | Delta County Tele-Comm. (telephone) | 95S-522T | Consumer Counsel | Revenue requirements |
| 58. Colorado PUC | 04/96 | Public Service Co. of Colorado (electric) | 95A-531EG | Consumer Counsel | Revenue requirements, merger |
| 59. Colorado PUC | 10/96 | Public Service Co. of Colorado (gas) | 96S-290G | Consumer Counsel | Revenue requirements |
| 60. New Jersey BPU | 08/97 | Atlantic City Electric Co. (electric) | EM97020103 | Div. of the Ratepayer Advocate | Merger |
| 61. Colorado PUC | 08/97 | Greeley Gas Company (gas) | 97F-221G | Consumer Counsel | Revenue Requirements |
| 62. Colorado PUC | 09/97 | Public Service Co. of Colorado (gas) | 97S-366G | Consumer Counsel | Weather Normalization |
| 63. Colorado PUC | 10/97 | Public Service Co. of Colorado (electric) | 97A-299EG | Consumer Counsel | Merger costs; Wholesale costs |
| 64. Colorado PUC | 03/98 | Public Service Co. of Colorado (gas) | 97A-622G | Consumer Counsel | Pipeline certificate application |
| 65. West Virginia PSC | 06/98 | Mountaineer Gas Company (gas) | 98-0008-G-42T | Consumer Advocate Division | Revenue requirements |
| 66. New Jersey BPU | 06/98 | New Jersey-American Water (water) | WR98010015 | Wholesale customers | Cost allocation, rate design |
| 67. Colorado PUC | 08/98 | Public Service Company of Colorado (electric) | 95A-531EG | Consumer Counsel | Revenue requirements |
| 68. Colorado PUC | 02/99 | Public Service Company of Colorado (gas) | 98S-518G | Consumer Counsel | Revenue requirements |
| 69. West Virginia PSC | 04/99 | West Virginia Power (electric) | 98-1345-E-42T | Consumer Advocate Division | Revenue requirements |
| 70. Pennsylvania PUC | 05/99 | City of Lancaster - Water Fund (water) | R-00984567 | Townships outside of City | Rate of return/rate spread |
| 71. West Virginia PSC | 05/99 | West Virginia Power Gas Service (gas) | 98-1496-G-42T | Consumer Advocate Division | Revenue requirements |
| 72. Maryland PSC | 02/00 | Potomac Edison Company (electric) | 8827 | Office of People's Counsel | CPCN - cost allocation |
| 73. Colorado PUC | 11/00 | Public Service Company of Colorado (gas) | 00S-422G | Consumer Counsel | Revenue requirements |
| 74. New Jersey BPU | 05/01 | FirstEnergy/GPU (electric merger) | EM00110870 | Div. of the Ratepayer Advocate | Merger |
| 75. West Virginia PSC | 06/01 | Mountaineer Gas Company (gas) | 01-0011-G-42T | Consumer Advocate Division | Revenue requirements |

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| 76. New Jersey BPU | 09/01 | Conectiv/Pepco (electric merger) | EM01050308 | Div of the Ratepayer Advocate | Merger |
| 77. Maryland | 11/01 | nv Nuon/Utilities, Inc. (water merger) | 8898 | Office of People's Counsel | Merger |
| 78. New Jersey BPU | 09/02 | Elizabethtown Gas Company (gas) | GR02040245 | Div of the Ratepayer Advocate | Revenue requirements |
| 79. Colorado PUC | 11/02 | Public Service Co. of Colorado (ele. & gas) | 02S-315EG | Consumer Counsel | Revenue requirements |
| 80. New Jersey BPU | 12/02 | Jersey Central Power & Light Co. (electric) | ER02080506 | Div of the Ratepayer Advocate | Revenue requirements |
| 81. New Jersey BPU | 01/03 | Rockland Electric Company (electric) | ER02100724 | Div of the Ratepayer Advocate | Cost allocation; rate design |
| 82. New Jersey BPU | 02/03 | Public Service Electric & Gas Company | EM00040253 | Div of the Ratepayer Advocate | Street Lighting; Service Company |
| 83. Maryland PSC | 08/03 | Greenridge Utilities, Inc. (water) | 8962 | Office of People's Counsel | Revenue requirements |
| 84. West Virginia PSC | 08/03 | West Virginia-American Water Co. (water) | 03-0353-W-42T | Consumer Advocate Division | Revenue requirements |
| 85. Wyoming PSC | 11/03 | PacifiCorp, Inc. (electric) | 20000-ER-03-198 | Wy. Industrial Energy Consumers | Revenue requirements |
| 86. New Jersey BPU | 12/03 | New Jersey-American Water Co. (water) | WR03070511 | Wholesale customers | Cost allocation; rate design |
| 87. New Jersey BPU | 01/04 | South Jersey Gas Company (gas) | GR03050413 | Div of the Ratepayer Advocate | BGSS |
| 88. New Jersey BPU | 02/04 | South Jersey Gas Company (gas) | GR03080683 | Div of the Ratepayer Advocate | Revenue requirements |
| 89. New Jersey BPU | 02/04 | Atlantic City Electric Company (electric) | ER03020110 | Div of the Ratepayer Advocate | Service Company |
| 90. West Virginia PSC | 07/04 | West Virginia-American Water Co. (water) | 04-0373-W-42T | Consumer Advocate Division | Revenue requirements |
| 91. Maryland PSC | 09/04 | Allegheny Power Company (electric) | 8998 | Office of People's Counsel | CPCN - Transmission line |
| 92. New Jersey BPU | 11/04 | Jersey Central Power & Light Co. (electric) | ER02080506 | Div of the Ratepayer Advocate | Revenue requirements |
| 93. Delaware PSC | 12/04 | Delaware Electric Cooperative (electric) | 04-288 | Commission Staff | Revenue requirements |
| 94. West Virginia PSC | 04/05 | Cranberry Pipeline Corporation (gas) | 04-0160-GT-42A | Consumer Advocate Division | Revenue requirements |
| 95. Maryland PSC | 08/05 | Hagerstown Light Department (electric) | 9039 | Office of People's Counsel | Revenue requirements |
| 96. Colorado PUC | 10/05 | Public Service Company of Colorado (gas) | 05S-264G | Consumer Counsel | Revenue requirements |
| 97. New Jersey BPU | 11/05 | Public Service Electric & Gas Company | EM05020106 | Div of the Ratepayer Advocate | Merger |
| 98. Delaware PSC | 12/05 | Delmarva Power & Light Company | 05-304 | Commission Staff | Revenue requirements |
| 99. DE. House of Rep * | 03/06 | Delmarva Power & Light Company | | Delaware PSC | Consolidated tax savings |
| 100. New Jersey BPU | 06/06 | Jersey Central Power & Light Co. (electric) | ER05121018 | Div of the Ratepayer Advocate | Deferred energy costs |

* Testified before the Energy Committee of the Delaware House of Representatives

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|------------------------|-------|---|-------------------|----------------------------|--|
| 101. Colorado PUC | 08/06 | Public Service Company of Colorado (elect) | 06S-234EG | Consumer Counsel | Revenue requirements |
| 102. Delaware PSC | 09/06 | Tidewater Utilities, Inc. (water) | 06-145 | Commission Staff | Revenue requirements |
| 103. New Jersey BPU | 10/06 | New Jersey-American Water Company | WR06030257 | Municipal customers | Cost allocation; rate design |
| 104. New Jersey BPU | 11/06 | Rockland Electric Company | ER06060483 | Div of Rate Counsel | Revenue requirements |
| 105. Colorado PUC | 04/07 | Public Service Company of Colorado (gas) | 06S-656G | Consumer Counsel | Consolidated tax savings |
| 106. New Jersey BPU | 06/07 | United Water New Jersey, Inc. | WR07020135 | Div of Rate Counsel | Cash working capital; income taxes |
| 107. Maryland PSC | 07/07 | Southern Md. Electric Cooperative, Inc. | 9106 | Office of People's Counsel | Revenue requirements |
| 108. Montana PSC | 10/07 | Montana-Dakota Utilities Co. | D2007.7.79 | Industrial Intervenor | Revenue requirements |
| 109. West Virginia PSC | 11/07 | West Virginia-American Water Company | 07-0998-W-42T | Consumer Advocate Division | Revenue requirements |
| 110. Wyoming PSC | 01/08 | Rocky Mountain Power | 20000-277-ER-07 | Industrial Intervenor | Revenue requirements |
| 111. New Jersey BPU | 04/08 | New Jersey Natural Gas Company (gas) | GR07110889 | Div of Rate Counsel | Cash working capital |
| 112. Maryland PSC | 09/08 | Easton Utilities Commission (electric) | 9145 | Office of People's Counsel | Revenue requirements |
| 113. Maryland PSC | 10/08 | Choptank Electric Cooperative, Inc. (elect) | 9146 | Office of People's Counsel | Rev req.; cost allocation; rate design |
| 114. Nevada PUC | 11/08 | Spring Creek Utilities Co (water) | 08-06036 | Spring Creek Utilities Co. | Water rate design |
| 115. Wyoming PSC | 01/09 | Rocky Mountain Power (electric) | 20000-333-ER-08 | Industrial Intervenor | Revenue requirements |
| 116. Colorado PUC | 02/09 | Public Service Co. of Colorado (electric) | 08S-520E | Consumer Counsel | Appropriate test year |
| 117. New Jersey BPU | 08/09 | Elizabethtown Gas Company (gas) | GR09030195 | Div of Rate Counsel | Cash working capital |
| 118. Colorado PUC | 09/09 | Public Service Co. of Colorado (electric) | 09AL-299E | Consumer Counsel | Test year; revenue requirements |
| 119. New Jersey BPU | 11/09 | Public Service Elect. & Gas Co (elec & gas) | GR09050422 | Div of Rate Counsel | Cash working capital |
| 120. Nevada PUC | 12/09 | Utilities Inc. of Central Nevada (water) | 09-12017 | UICN | Cost allocation; rate design |
| 121. Wyoming PSC | 02/10 | Rocky Mountain Power (electric) | 20000-354-ER-09 | Industrial Intervenor | Test year; revenue requirements |
| 122. New Jersey BPU | 03/10 | Rockland Electric Company (electric) | ER09080668 | Div of Rate Counsel | Revenue requirements |
| 123. New Jersey BPU | 05/10 | South Jersey Gas Company (gas) | GR10010035 | Div of Rate Counsel | Cash working capital |
| 124. Maryland PSC | 08/10 | Southern Md. Electric Cooperative, Inc. | 9234 | Office of People's Counsel | Rev req.; cost allocation; rate design |
| 125. New Jersey BPU | 11/10 | Public Service Elect. & Gas Co (elec & gas) | undocketed as yet | Div of Rate Counsel | Cash working capital; uncollectibles |

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|-----------------------|-------|---|-----------------|----------------------------|---|
| 126. Montana PSC | 12/10 | Montana-Dakota Utilities Co. (electric) | D2010.8.82 | Industrial Intervenors | Revenue requirements |
| 127. Wyoming PSC | 04/11 | Rocky Mountain Power (electric) | 20000-384-ER-10 | Industrial Intervenors | Test period; revenue requirements |
| 128. Colorado PUC | 04/11 | Public Service Co. of Colorado (gas) | 10AL-963G | Consumer Counsel | Test period; adjustment clauses |
| 129. Maryland PSC | 11/11 | Town of Williamsport, MD (electric) | 9281 | Office of People's Counsel | Rev. requirements; rate of return |
| 130. Colorado PUC | 03/12 | Public Service Co. of Colorado (electric) | 11AL-947E | Consumer Counsel | Test period; excess capacity, phffu |
| 131. New Jersey BPU | 04/12 | Atlantic City Electric Company (electric) | ER11080469 | Div. of Rate Counsel | Cost allocation; rate design |
| 132. Delaware PSC | 05/12 | Delmarva Power & Light Company (electric) | 11-528 | Commission Staff | Revenue requirements |
| 133. South Dakota PUC | 11/12 | Northern States Power Company (electric) | EL12-046 | Commission Staff | Rev. req., cost allocation; rate design |
| 134. New Jersey BPU | 11/12 | Public Service Electric & Gas Co. (gas) | GO12030188 | Div. of Rate Counsel | Competitive services |
| 135. Nevada PUC | 12/12 | Utilities Inc. of Central Nevada | 12-12033 | UICN | Water cost allocation and rate design |
| 136. Maryland PSC | 02/13 | Chesapeake Utilities Corporation | 9303 | Office of People's Counsel | Asset acquisition |
| 137. California PUC | 03/13 | California Water Company (water) | 12-07-007 | TURN | Cash working capital |
| 138. Colorado PUC | 04/13 | Public Service Company of Colorado (gas) | 12AL-1268G | Consumer Counsel | Test period; revenue requirements |
| 139. Delaware PSC | 06/13 | Delmarva Power & Light Company (gas) | 12-546 | Commission Staff | Revenue requirements |
| 140. New Jersey BPU | 07/13 | Jersey Central Power & Light Co. (electric) | ER12111052 | Div. of Rate Counsel | Cash working capital; cost allocation |
| 141. Delaware PSC | 08/13 | Delmarva Power & Light Co. (electric) | 13-115 | Commission Staff | Revenue requirements |
| 142. South Dakota PUC | 10/13 | Montana-Dakota Utilities Co. (gas) | NG12-008 | Commission Staff | Rev. req., cost allocation; rate design |
| 143. New York PSC | 04/14 | United Water Westchester Inc. (water) | 13-W-0539 et al | Municipal Intervenors | Rev req., merger |
| 144. Delaware PSC | 09/14 | Artesian Water Company (water) | 14-132 | Commission Staff | Test year; revenue requirements |
| 145. Colorado PUC | 11/14 | Public Service Company of Colorado (elec) | 14AL-0660E | Consumer Counsel | Test year; revenue requirements |
| 146. New Jersey BPU | 11/14 | Altantic City Electric Company (electric) | EM14060581 | Div. of Rate Counsel | Merger |
| 147. South Dakota PUC | 01/15 | Black Hills Power, Inc. (electric) | EL14-026 | Commission Staff | Revenue req., cost allocation |
| 148. Colorado PUC | 06/15 | Public Service Company of Colorado (gas) | 15AL-0135G | Consumer Counsel | Test year; rate base |
| 149. New Jersey BPU | 07/15 | United Water Toms River, Inc. (water) | WR15020269 | Div. of Rate Counsel | Revenue requirements |
| 150. Wyoming PSC | 07/15 | Rocky Mountain Power (electric) | 20000-469-ER-15 | Industrial Intervenors | Test year; revenue requirements |

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|-----------------|-------|--|------------|----------------------------|---------------------------------------|
| 151. Maryland | 11/15 | Southern Maryland Electric Cooperative | 9396 | Office of People's Counsel | Rev req. cost allocation; rate design |
| 152. New Jersey | 03/16 | Southern Company/ALG Resources | GM15101196 | Div. of Rate Counsel | Merger; corp. governance, service co. |
| 153. Maryland | 08/16 | Sandpiper Energy, Inc. | 9410 | Office of People's Counsel | Support for settlement agreement |