

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 120015-EI

IN RE: PETITION FOR RATE INCREASE BY
FLORIDA POWER & LIGHT COMPANY

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DIRECT TESTIMONY AND EXHIBITS

OF

STEVE W. CHRISS

ON BEHALF OF

THE FLORIDA RETAIL FEDERATION

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

3 A. My name is Steve W. Chriss. My business address is 2001 SE 10th St.,
4 Bentonville, AR 72716-0550. I am employed by Wal-Mart Stores, Inc. as
5 Senior Manager, Energy Regulatory Analysis.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

7 A. I am testifying on behalf of the Florida Retail Federation ("FRF"), a
8 statewide trade association of more than 9,000 of Florida's retailers, many
9 of whom are retail customers of Florida Power & Light Company ("FPL" or
10 "the Company"). FRF has requested that I testify in order to provide a
11 customer perspective on FPL's proposed rate increase and to explain
12 FRF's concerns regarding the Company's proposed return on equity
13 ("ROE") and ROE adder.

14 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

15 A. In 2001, I completed a Master of Science in Agricultural Economics at
16 Louisiana State University. From 2001 to 2003, I was an Analyst and later
17 a Senior Analyst at the Houston office of Econ One Research, Inc., a Los
18 Angeles-based consulting firm. My duties included research and analysis
19 on domestic and international energy and regulatory issues. From 2003 to
20 2007, I was an Economist and later a Senior Utility Analyst at the Public
21 Utility Commission of Oregon in Salem, Oregon. My duties included
22 appearing as a witness for PUC Staff in electric, natural gas, and

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1 telecommunications dockets. I joined the energy department at Wal-Mart
2 in July 2007 as Manager, State Rate Proceedings, and was promoted to
3 my current position in June 2011. My Witness Qualifications Statement is
4 included herein as Appendix A.

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**
6 **FLORIDA PUBLIC SERVICE COMMISSION ("THE COMMISSION")?**

7 A. Yes. I submitted testimony in Florida PSC Docket 110138-EI, which was
8 the recent general rate case for Gulf Power Company.

9 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER**
10 **STATE REGULATORY COMMISSIONS?**

11 A. Yes. I have submitted testimony in over 60 proceedings before 30 other
12 utility regulatory commissions and before the Missouri House Committee
13 on Utilities and the Missouri Senate Veterans' Affairs, Emerging Issues,
14 Pensions, and Urban Affairs Committee. My testimony has addressed
15 topics including cost of service and rate design, ratemaking policy,
16 qualifying facility rates, telecommunications deregulation, resource
17 certification, energy efficiency/demand side management, fuel cost
18 adjustment mechanisms, decoupling, and the collection of cash earnings
19 on construction work in progress.

20 **Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?**

21 A. Yes. I am sponsoring the following exhibits to my testimony:

1 Exhibit SWC-1: Calculation of Test Year Jurisdictional Revenues

2 Collected through Base Rates

3 Exhibit SWC-2: Calculation of Revenue Requirement Impact of FPL's

4 Proposed Return on Equity Adder

5 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE**
6 **COMMISSION.**

7 **A.** My recommendations to the Commission are as follows:

- 8 1) The Commission should consider the impacts to customers thoroughly
9 and carefully in ensuring that any increase in FPL's rates is only the
10 minimum amount necessary to provide adequate and reliable service at
11 the lowest possible cost. Additionally, the Commission should consider
12 the proposed permanent base rate increase on its own merits and not in
13 conjunction with changes in other components of FPL's retail rates,
14 specifically FPL's Fuel Charges.
- 15 2) The Commission should carefully consider the Company's proposed ROE
16 adder to determine: (1) whether the proposed adder is cost-based and (2)
17 whether a single utility's general rate case is the appropriate venue to
18 create a one-off performance-based adder that would be applicable to all
19 utilities.
- 20 3) If the Commission determines that performance-based ratemaking is
21 appropriate for Florida utilities, it should consider opening a separate
22 proceeding for the examination of this topic.

1 The fact that an issue is not addressed should not be considered an
2 endorsement of any filed position.

3 **Q. GENERALLY, WHY ARE UTILITY CUSTOMERS, INCLUDING**
4 **RETAILERS AND OTHER COMMERCIAL CUSTOMERS, CONCERNED**
5 **ABOUT FPL'S PROPOSED RATE INCREASE?**

6 A. Electricity represents a significant portion of retailers' operating costs.
7 When rates increase, that increase in cost to retailers puts pressure on
8 consumer prices and on the other expenses required by a business to
9 operate, which impacts retailers' customers and employees. Rate
10 increases also directly impact retailers' customers, who are also FPL's
11 residential and small business customers. FRF recognizes FPL's duty to
12 provide reliable and adequate service to its customers and that there are
13 costs required to do so, including a reasonable return on the Company's
14 used and useful capital investments. However, given current economic
15 conditions, a rate increase is a serious concern for retailers and their
16 customers and the Commission should consider these impacts thoroughly
17 and carefully in ensuring that any increase in FPL's rates is only the
18 minimum amount necessary to provide adequate and reliable service at
19 the lowest possible cost.
20

1 **Q. WHAT REVENUE REQUIREMENT DOES THE COMPANY PROPOSE**
2 **IN ITS FILING?**

3 A. The Company has proposed a total base rate revenue requirement
4 increase of \$516.5 million. See MFR Schedule A-1. Additionally, the
5 Company has proposed a step increase of \$173.9 million for the
6 Canaveral Modernization Project upon commencement of commercial
7 operation. See Direct Testimony of Robert E. Barrett, Jr., page 7, line 19
8 to line 21.

9 **Q. DOES FPL'S PETITION REFERENCE FUEL COST REDUCTIONS AS**
10 **MITIGATING THE COMPANY'S PROPOSED BASE RATE INCREASE?**

11 A. Yes. See Petition, page 18.

12 **Q. IS THE FORECAST CHANGE IN FPL'S FUEL COSTS RELEVANT TO**
13 **THE COMMISSION'S CONSIDERATION OF THE MERITS OF FPL'S**
14 **PROPOSED BASE RATE INCREASE?**

15 A. No. While it is undisputed that reductions in fuel cost benefit customers
16 through lower Fuel Charges on customer bills, fuel cost is not an issue in
17 this docket and not relevant to the Commission's consideration of the
18 merits of FPL's proposed base rate increase. What is at issue in this
19 docket is a proposed *permanent* base rate increase that will be in place
20 regardless of the level of the Company's fuel cost and should be
21 considered by the Commission on its own merits and not in conjunction

1 with unrelated contemporaneous changes in other components of FPL's
2 retail rates.

3 **Q. WHAT IS THE COMPANY'S PROPOSED ROE IN THIS DOCKET?**

4 A. The Company is proposing an after-tax ROE of 11.5 percent, composed of
5 a base ROE of 11.25 percent and a 25 basis point ROE adder. See Direct
6 Testimony of Moray P. Dewhurst, page 6, line 1 to line 7. Applying the
7 Company's proposed Net Operating Income Multiplier (1.63188, from
8 MFR A-1) to this return indicates that FPL is requesting a before-tax ROE
9 of approximately 18.7 percent.

10 **Q. IS FRF CONCERNED THAT THE PROPOSED ROE IS EXCESSIVE?**

11 A. Yes. FRF is concerned that the Company's proposed ROE is excessive,
12 especially given the current economic conditions faced by the utility's
13 customers as well as when viewed in light of the Company's percentage of
14 jurisdictional revenues collected through base rates that are at risk due to
15 regulatory lag versus the amount of revenues collected through cost
16 recovery clause charges such as the fuel, conservation, capacity, storm,
17 and environmental cost recovery clauses. The reduced risk provided by
18 these numerous pass-through charges should be reflected in the
19 Commission's approved ROE in this docket.
20

1 **Q. FOR THE COMPANY’S PROPOSED 2013 TEST YEAR, WHAT**
2 **PERCENT OF JURISDICTIONAL REVENUES ARE PROPOSED TO BE**
3 **COLLECTED THROUGH BASE RATES?**

4 A. Approximately 42 percent of jurisdictional revenues for the proposed 2013
5 test year would be collected through base rates and would be essentially
6 at risk due to regulatory lag. This percentage mirrors the corresponding
7 significantly larger percentage of total revenues – 58 percent – that FPL
8 recovers through cost recovery clause charges and other line-item
9 charges. See Exhibit SWC-1. This is significant because the greater the
10 percentage of a utility’s revenues that are collected through pass-through
11 charges, the lower the utility’s risk due to regulatory lag.

12 **Q. ARE THERE ANY OTHER FACETS OF THE COMPANY’S PROPOSAL**
13 **IN THIS DOCKET THAT COULD IMPACT FPL’S EXPOSURE TO**
14 **REGULATORY LAG?**

15 A. Yes. The use of a projected test year reduces the risk due to regulatory
16 lag because, as the Commission has previously stated, “the main
17 advantage of a projected test year is that it includes all information related
18 to rate base, NOI, and capital structure for the time new rates will be in
19 effect.” See Order No. PSC-02-0787-FOF-EI, page 9. As such, the
20 Commission should carefully consider the level of ROE justified by the
21 Company’s exposure to regulatory lag.

1 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED**
2 **ROE ADDER?**

3 A. My understanding is that FPL is requesting an adder of 25 basis points to
4 its ROE, subject to the Company's maintaining the "lowest typical bill
5 customer bill in the state." FPL proposes that this adder be created as an
6 incentive for "all utilities regulated by the FPSC." See Direct Testimony of
7 Moray P. Dewhurst, page 47, line 10 to line 15.

8 **Q. WHY DOES FPL PROPOSE THE ROE ADDER?**

9 A. It is my understanding that FPL proposes the ROE adder as a reward for
10 its performance as a utility. *Id.*, line 16 to line 23. FPL witness John J.
11 Reed provides a detailed analysis of a number of performance metrics.

12 **Q. DOES FRF HAVE OTHER CONCERNS WITH THE COMPANY'S ROE**
13 **ADDER PROPOSAL?**

14 A. Yes. The proposed ROE adder has no cost basis and FRF questions
15 whether it is appropriately included in a cost of service-based
16 consideration of just and reasonable rates. Additionally, the Company has
17 not provided any derivation for the level of the proposed 25 basis point
18 adder, which increases the Company's revenue requirement by
19 approximately \$39.5 million. See Exhibit SWC-2.

20

1 **Q. DOES THE COMPANY INDICATE THAT THE COMMISSION IS**
2 **AUTHORIZED BY FLORIDA STATUTE TO CONSIDER NON-COST**
3 **FACTORS IN SETTING RATES?**

4 A. Yes. See Direct Testimony of William E. Avera, page 82, line 13 to line
5 15. While I am not an attorney, upon examination of Florida Statute
6 366.041(1) it appears that the Commission is authorized, but not
7 obligated, to consider non-cost factors in setting rates. However, this
8 authorization does not address the implementation issues with the
9 Company's proposal.

10 **Q. WHAT ARE THE PROPOSAL'S IMPLEMENTATION ISSUES?**

11 A. The first issue is that the Company has proposed a performance-based
12 adder that rewards positive performance but does not address how the
13 ROE adder would be removed from rates were FPL's future benchmark
14 results to show that the Company should no longer receive the adder.
15 The second issue is that the "lowest typical customer bill in the state"
16 benchmark is not necessarily a transparent, cost-based metric appropriate
17 for use in this context – any comparison should provide a level playing
18 field among Florida's regulated utilities.

19

1 **Q. PLEASE EXPLAIN.**

2 A. A number of factors play into the calculation of a typical bill for a given
3 utility. For instance, what rate class or classes are included in the typical
4 bill calculation, where the rate of return for each included rate class is in
5 relation to the utility's overall rate of return, the Commission-approved
6 allocation of revenues to each included rate class, and the rate design for
7 each included rate class. The differences in these factors would play a
8 significant role in a comparison between two utilities, and a utility could
9 ostensibly propose non-cost-based changes in a rate case – such as a
10 revenue allocation that moves revenues away from the included rate class
11 or classes to lower the rates for the included class or classes – in order to
12 obtain a favorable result and thus be able to increase its rates via a ROE
13 add.

14 **Q. DOES FRF PROPOSE AN ALTERNATIVE BENCHMARK IN THIS**
15 **DOCKET?**

16 A. No. However, any benchmark metric or combination of benchmark
17 metrics used for a performance-based adder should have as their basis a
18 transparent and uniform calculation methodology and be uniformly applied
19 to all included utilities.

20

1 **Q. DOES FRF HAVE A FINAL POLICY CONCERN?**

2 A. Yes. FRF questions whether it is appropriate to create a new
3 performance-based ratemaking structure on a one-off basis in a single
4 utility general rate case. This process could allow the filing utility to focus
5 on one area in which it has an *ex ante* known advantage when compared
6 to other Florida utilities – such as FPL’s proposed “lowest typical bill
7 customer bill in the state,” which is an advantage it knows it has at this
8 time – and could result in multiple performance-based adders that “apply”
9 to all utilities but really only benefit one utility. Additionally, my
10 understanding is that at the time this testimony is to be filed, no other
11 regulated electric utilities in Florida are participating in this docket, and
12 FRF questions whether it is appropriate to create a mechanism that would
13 impact their businesses without their inclusion in the process. Further, if
14 the Commission were going to consider this concept it should seriously
15 consider including Florida’s numerous municipal and cooperative utilities
16 in analyzing comparative performance.

17 **Q. WHAT ARE YOUR RECOMMENDATIONS TO THE COMMISSION ON**
18 **THIS ISSUE?**

19 A. My recommendations to the Commission regarding the proposed ROE
20 adder are:

- 21 1) The Commission should carefully consider the Company’s proposed ROE
22 adder to determine: (1) whether the proposed adder is cost-based and (2)

1 whether a single utility's general rate case is the appropriate venue to
2 create a one-off performance-based adder that would be applicable to all
3 utilities.

4 2) If the Commission determines that performance-based ratemaking is
5 appropriate for Florida utilities, it should consider opening a separate
6 proceeding for the examination of this topic.

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

8 A. Yes.

Steve W. Chriss

Senior Manager, Energy Regulatory Analysis

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EXPERIENCE

July 2007 – Present

Wal-Mart Stores, Inc., Bentonville, AR

Senior Manager, Energy Regulatory Analysis (June 2011 – Present)

Manager, State Rate Proceedings (July 2007 – June 2011)

June 2003 – July 2007

Public Utility Commission of Oregon, Salem, OR

Senior Utility Analyst (February 2006 – July 2007)

Economist (June 2003 – February 2006)

January 2003 - May 2003

North Harris College, Houston, TX

Adjunct Instructor, Microeconomics

June 2001 - March 2003

Econ One Research, Inc., Houston, TX

Senior Analyst (October 2002 – March 2003)

Analyst (June 2001 – October 2002)

EDUCATION

2001

Louisiana State University

M.S., Agricultural Economics

1997-1998

University of Florida

Graduate Coursework, Agricultural Education and Communication

1997

Texas A&M University

B.S., Agricultural Development

B.S., Horticulture

TESTIMONY BEFORE REGULATORY COMMISSIONS

2012

California Docket No. A.11-10-002: Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design.

Utah Public Service Commission Docket No. 11-035-200: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Virginia State Corporation Commission Case No. PUE-2012-00051: Application of Appalachian Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

New Jersey Board of Public Utilities Docket No. ER11080469: In the Matter of the Petition of Atlantic City Electric for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1 and For Other Appropriate Relief.

Public Utility Commission of Texas Docket No. 39896: Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs.

Missouri Public Service Commission Case No. EO-2012-0009: In the Matter of KCP&L Greater Missouri Operations Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism.

Colorado Public Utilities Commission Docket No. 11AL-947E: In the Matter of Advice Letter No. 1597-Electric Filed by Public Service Company of Colorado to Revise its Colorado PUC No. 7-Electric Tariff to Implement a General Rate Schedule Adjustment and Other Changes Effective December 23, 2011.

Illinois Commerce Commission Docket No. 11-0721: Commonwealth Edison Company Tariffs and Charges Submitted Pursuant to Section 16-108.5 of the Public Utilities Act.

Public Utility Commission of Texas Docket No. 38951: Application of Entergy Texas, Inc. for Approval of Competitive Generation Service tariff (Issues Severed from Docket No. 37744).

California Public Utilities Commission Docket No. A.11-06-007: Southern California Edison's General Rate Case, Phase 2.

2011

Arizona Corporation Commission Docket No. E-01345A-11-0224: In the Matter of Arizona Public Service Company for a Hearing to Determine the Fair Value of Utility Property of the Company for Ratemaking Purposes, to Fix and Just and Reasonable Rate of Return Thereon, to Approve Rate Schedules Designed to Develop Such Return.

Oklahoma Corporation Commission Cause No. PUD 201100087: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

South Carolina Public Service Commission Docket No. 2011-271-E: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase its Electric Rates and Charges.

Pennsylvania Public Utility Commission Docket No. P-2011-2256365: Petition of PPL Electric Utilities Corporation for Approval to Implement Reconciliation Rider for Default Supply Service.

North Carolina Utilities Commission Docket No. E-7, Sub 989: In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

Florida Public Service Commission Docket No. 110138: In Re: Petition for Increase in Rates by Gulf Power Company.

Public Utilities Commission of Nevada Docket No. 11-06006: In the Matter of the Application of Nevada Power Company, filed pursuant to NRS 704.110(3) for authority to increase its annual revenue requirement for general rates charged to all classes of customers to recover the costs of

constructing the Harry Allen Combined Cycle plant and other generating, transmission, and distribution plant additions, to reflect changes in the cost of capital, depreciation rates and cost of service, and for relief properly related thereto.

North Carolina Utilities Commission Docket Nos. E-2, Sub 998 and E-7, Sub 986: In the Matter of the Application of Duke Energy Corporation and Progress Energy, Inc., to Engage in a Business Combination Transaction and to Address Regulatory Conditions and Codes of Conduct.

Public Utilities Commission of Ohio Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-349-EL-AAM, and 11-350-EL-AAM: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form on an Electric Security Plan and In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.

Virginia State Corporation Commission Case No. PUE-2011-00037: In the Matter of Appalachian Power Company for a 2011 Biennial Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Illinois Commerce Commission Docket No. 11-0279 and 11-0282 (cons.): Ameren Illinois Company Proposed General Increase in Electric Delivery Service and Ameren Illinois Company Proposed General Increase in Gas Delivery Service.

Virginia State Corporation Commission Case No. PUE-2011-00045: Application of Virginia Electric and Power Company to Revise its Fuel Factor Pursuant to § 56-249.6 of the Code of Virginia.

Utah Public Service Commission Docket No. 10-035-124: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

Maryland Public Utilities Commission Case No. 9249: In the Matter of the Application of Delmarva Power & Light for an Increase in its Retail Rates for the Distribution of Electric Energy.

Minnesota Public Utilities Commission Docket No. E002/GR-10-971: In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota.

Michigan Public Service Commission Case No. U-16472: In the Matter of the Detroit Edison Company for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority.

2010

Public Utilities Commission of Ohio Docket No. 10-2586-EL-SSO: In the Matter of the Application of Duke Energy Ohio for Approval of a Market Rate Offer to Conduct a Competitive Bidding Process for Standard Service Offer Electric Generation Supply, Accounting Modifications, and Tariffs for Generation Service.

Colorado Public Utilities Commission Docket No. 10A-554EG: In the Matter of the Application of Public Service Company of Colorado for Approval of a Number of Strategic Issues Relating to its DSM Plan, Including Long-Term Electric Energy Savings Goals, and Incentives.

Public Service Commission of West Virginia Case No. 10-0699-E-42T: Appalachian Power Company and Wheeling Power Company Rule 42T Application to Increase Electric Rates.

Oklahoma Corporation Commission Cause No. PUD 201000050: Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and Terms and Conditions of Service for Electric Service in the State of Oklahoma.

Georgia Public Service Commission Docket No. 31958-U: In Re: Georgia Power Company's 2010 Rate Case.

Washington Utilities and Transportation Commission Docket No. 100749: 2010 Pacific Power & Light Company General Rate Case.

Colorado Public Utilities Commission Docket No. 10M-254E: In the Matter of Commission Consideration of Black Hills Energy's Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Colorado Public Utilities Commission Docket No. 10M-245E: In the Matter of Commission Consideration of Public Service Company of Colorado Plan in Compliance with House Bill 10-1365, "Clean Air-Clean Jobs Act."

Public Service Commission of Utah Docket No. 09-035-15 *Phase II*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Utility Commission of Oregon Docket No. UE 217: In the Matter of PACIFICORP, dba PACIFIC POWER Request for a General Rate Revision.

Mississippi Public Service Commission Docket No. 2010-AD-57: In Re: Proposal of the Mississippi Public Service Commission to Possibly Amend Certain Rules of Practice and Procedure.

Indiana Utility Regulatory Commission Cause No. 43374: Verified Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission to Approve an Alternative Regulatory Plan Pursuant to Ind. Code § 8-1-2.5-1, *ET SEQ.*, for the Offering of Energy Efficiency Conservation, Demand Response, and Demand-Side Management Programs and Associated Rate Treatment Including Incentives Pursuant to a Revised Standard Contract Rider No. 66 in Accordance with Ind. Code §§ 8-1-2.5-1 *ET SEQ.* and 8-1-2-42 (a); Authority to Defer Program Costs Associated with its Energy Efficiency Portfolio of Programs; Authority to Implement New and Enhanced Energy Efficiency Programs, Including the Powershare® Program in its Energy Efficiency Portfolio of Programs; and Approval of a Modification of the Fuel Adjustment Clause Earnings and Expense Tests.

Public Utility Commission of Texas Docket No. 37744: Application of Entergy Texas, Inc. for Authority to Change Rates and to Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2009-489-E: Application of South Carolina Electric & Gas Company for Adjustments and Increases in Electric Rate Schedules and Tariffs.

Kentucky Public Service Commission Case No. 2009-00459: In the Matter of General Adjustments in Electric Rates of Kentucky Power Company.

Virginia State Corporation Commission Case No. PUE-2009-00125: For acquisition of natural gas facilities Pursuant to § 56-265.4:5 B of the Virginia Code.

Arkansas Public Service Commission Docket No. 10-010-U: In the Matter of a Notice of Inquiry Into Energy Efficiency.

Connecticut Department of Public Utility Control Docket No. 09-12-05: Application of the Connecticut Light and Power Company to Amend its Rate Schedules.

Arkansas Public Service Commission Docket No. 09-084-U: In the Matter of the Application of Entergy Arkansas, Inc. For Approval of Changes in Rates for Retail Electric Service.

Missouri Public Service Commission Docket No. ER-2010-0036: In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.

Public Service Commission of Delaware Docket No. 09-414: In the Matter of the Application of Delmarva Power & Light Company for an Increase in Electric Base Rates and Miscellaneous Tariff Charges.

2009

Virginia State Corporation Commission Case No. PUE-2009-00030: In the Matter of Appalachian Power Company for a Statutory Review of the Rates, Terms, and Conditions for the Provision of Generation, Distribution, and Transmission Services Pursuant to § 56-585.1 A of the Code of Virginia.

Public Service Commission of Utah Docket No. 09-035-15 *Phase I*: In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism.

Public Service Commission of Utah Docket No. 09-035-23: In the Matter of the Application of Rocky Mountain Power for Authority To Increase its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations.

Colorado Public Utilities Commission Docket No. 09AL-299E: Re: The Tariff Sheets Filed by Public Service Company of Colorado with Advice Letter No. 1535 – Electric.

Arkansas Public Service Commission Docket No. 09-008-U: In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs.

Oklahoma Corporation Commission Docket No. PUD 200800398: In the Matter of the Application of Oklahoma Gas and Electric Company for an Order of the Commission Authorizing Applicant to Modify its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma.

Public Utilities Commission of Nevada Docket No. 08-12002: In the Matter of the Application by Nevada Power Company d/b/a NV Energy, filed pursuant to NRS §704.110(3) and NRS §704.110(4) for authority to increase its annual revenue requirement for general rates charged to all classes of customers, begin to recover the costs of acquiring the Bighorn Power Plant, constructing the Clark Peak, Environmental Retrofits and other generating, transmission and distribution plant additions, to reflect changes in cost of service and for relief properly related thereto.

New Mexico Public Regulation Commission Case No. 08-00024-UT: In the Matter of a Rulemaking to Revise NMPRC Rule 17.7.2 NMAC to Implement the Efficient Use of Energy Act.

Indiana Utility Regulatory Commission Cause No. 43580: Investigation by the Indiana Utility Regulatory Commission, of Smart Grid Investments and Smart Grid Information Issues Contained in 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. § 2621(d)), as Amended by the Energy Independence and Security Act of 2007.

Louisiana Public Service Commission Docket No. U-30192 *Phase II (February 2009)*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating

Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

South Carolina Public Service Commission Docket No. 2008-251-E: In the Matter of Progress Energy Carolinas, Inc.'s Application For the Establishment of Procedures to Encourage Investment in Energy Efficient Technologies; Energy Conservation Programs; And Incentives and Cost Recovery for Such Programs.

2008

Colorado Public Utilities Commission Docket No. 08A-366EG: In the Matter of the Application of Public Service Company of Colorado for approval of its electric and natural gas demand-side management (DSM) plan for calendar years 2009 and 2010 and to change its electric and gas DSM cost adjustment rates effective January 1, 2009, and for related waivers and authorizations.

Public Service Commission of Utah Docket No. 07-035-93: In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately \$161.2 Million Per Year, and for Approval of a New Large Load Surcharge.

Indiana Utility Regulatory Commission Cause No. 43374: Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission Approve an Alternative Regulatory Plan for the Offering of Energy Efficiency, Conservation, Demand Response, and Demand-Side Management.

Public Utilities Commission of Nevada Docket No. 07-12001: In the Matter of the Application of Sierra Pacific Power Company for authority to increase its general rates charged to all classes of electric customers to reflect an increase in annual revenue requirement and for relief properly related thereto.

Louisiana Public Service Commission Docket No. U-30192 *Phase II*: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

Colorado Public Utilities Commission Docket No. 07A-420E: In the Matter of the Application of Public Service Company of Colorado For Authority to Implement and Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Cost Recovery and Incentives.

2007

Louisiana Public Service Commission Docket No. U-30192: Ex Parte, Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.

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2006

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2004

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AFFADAVITS

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Exhibit SWC-1: Calculation of Proposed Test Year Jurisdictional Revenues Collected through Base Rates

(1)		Jurisdictional Revenues	\$ 10,082,008,000
		<i>Revenue Adjustments</i>	
(2)		<i>Capacity Cost Recovery</i>	\$ (817,068,000)
(3)		<i>Conservation Cost Recovery</i>	\$ (139,653,000)
(4)		<i>Environmental Cost Recovery</i>	\$ (193,068,000)
(5)		<i>Franchise Revenue</i>	\$ (457,297,000)
(6)		<i>Fuel Cost Recovery Retail</i>	\$ (3,680,491,000)
(7)		<i>Gross Receipts Tax</i>	\$ (238,373,000)
(8)		<i>Nuclear Uprates</i>	\$ (184,257,000)
(9)		<i>Storm Deficiency Recovery</i>	\$ (105,186,000)
(10)	Σ (2) through (9)	<i>Total Revenue Adjustments</i>	\$ (5,815,393,000)
(11)	(1) - (10)	Jurisdictional Adjusted Amount	\$ 4,266,615,000
(12)	(11) / (1)	Percent of Jurisdictional Revenues In Base Rates	42.3%

Sources:

- (1) MFR Schedule C-1, column 6.
- (2) MFR Schedule C-2, column 3.
- (3) MFR Schedule C-2, column 4.
- (4) MFR Schedule C-2, column 5.
- (5) MFR Schedule C-2, column 10.
- (6) MFR Schedule C-2, column 11.
- (7) MFR Schedule C-2, column 12.
- (8) MFR Schedule C-2, column 17.
- (9) MFR Schedule C-2, column 18.

Exhibit SWC-2: Calculation of Revenue Requirement Impact of FPL's Proposed Return on Equity Adder

		Ratio	Cost Rate	Weighted Cost Rate
(1)	Long Term Debt	29.5%	5.3%	1.6%
(2)	Preferred Stock	0.0%	0.0%	0.0%
(3)	Customer Deposits	2.0%	6.0%	0.1%
(4)	Common Equity	46.0%	11.25%	5.2%
(5)	Short Term Debt	1.7%	2.1%	0.0%
(6)	Deferred Income Tax	20.8%	0.0%	0.0%
(7)	Investment Tax Credits	0.0%	9.1%	0.0%
(8)		100.0%		6.9%
(9)	Rate Base			\$ 21,036,823,000
(10)	(8) * (9) Jurisdictional Net Operating Income			\$ 1,448,632,446
(11)	Requested Jurisdictional Net Operating Income (ROE = 11.5%)			\$ 1,472,878,000
(12)	(11) - (10) Difference			\$ 24,245,554
(13)	Net Operating Income Multiplier			1.63188
(14)	(12) * (13) Revenue Requirement Impact			\$ 39,565,834

Sources:

(1) - (3), (5) - (8) MFR Schedule D-1a.

(9), (11), (13) MFR Schedule A-1.