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July 15, 2013

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Re: Docket No. 130040-EI - Petition for Increase in Rates by
Tampa Electric Company

Pursuant to Order No. PSC-13-0150-PCO-EI, please find
attached an original and 15 copies of Steve W. Chriss's Direct
Testimony and Exhibits in the above-referenced docket. Mr.
Chriss is the Florida Retail Federation's witness.

Thank you for your courteous and professional handling in
regards to matter.

Cordially,

Robert Scheffel Wright

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**DOCKET NO. 130040-EI
PETITION FOR INCREASE IN RATES BY
TAMPA ELECTRIC COMPANY**

DIRECT TESTIMONY AND EXHIBITS

OF

STEVE W. CHRISS

ON BEHALF OF

THE FLORIDA RETAIL FEDERATION

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

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

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

6 A. I am testifying on behalf of the Florida Retail Federation ("FRF"), a statewide
7 trade association of more than 8,000 of Florida's retailers, many of whom are
8 retail customers of Tampa Electric Company ("TECO").

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

10 A. In 2001, I completed a Masters of Science degree in Agricultural Economics at
11 Louisiana State University. From 2001 to 2003, I was an Analyst and later a
12 Senior Analyst at the Houston office of Econ One Research, Inc., a Los Angeles-
13 based consulting firm. My duties included research and analysis on domestic
14 and international energy and regulatory issues. From 2003 to 2007, I was an
15 Economist and later a Senior Utility Analyst at the Public Utility Commission of
16 Oregon in Salem, Oregon. My duties included appearing as a witness for PUC
17 Staff in electric, natural gas, and telecommunications dockets. I joined the
18 energy department at Walmart in July 2007 as Manager, State Rate Proceedings,
19 and was promoted to my current position in June 2011. My Witness
20 Qualifications Statement is included herein as Exhibit SWC-1.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE FLORIDA PUBLIC**
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 **A. Yes. I submitted testimony in Docket Nos. 110138-EI, the 2011 Gulf Power**
4 **Company (“Gulf”) general rate case, and 120015-EI, the 2012 Florida Power &**
5 **Light Company (“FP&L”) general rate case.**

6 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
7 **REGULATORY COMMISSIONS?**

8 **A. Yes. I have submitted testimony in over 75 proceedings before 31 other utility**
9 **regulatory commissions and before the Missouri House Committee on Utilities**
10 **and the Missouri Senate Committee on Veterans' Affairs, Emerging Issues,**
11 **Pensions, and Urban Affairs. My testimony has addressed many subjects,**
12 **including cost of service and rate design, ratemaking policy, qualifying facility**
13 **rates, telecommunications deregulation, resource certification, energy**
14 **efficiency, conservation, and demand side management, fuel cost adjustment**
15 **mechanisms, decoupling, and the collection of cash earnings on construction**
16 **work in progress.**

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

18 **A. Yes. I am sponsoring the following exhibits to my testimony:**
19 **Exhibit SWC-1: Witness Qualifications Statement of Steve W. Chriss**
20 **Exhibit SWC-2: Calculation of Test Year Jurisdictional Revenues Collected**
21 **through Base Rates**

1 Exhibit SWC-3: Reported Authorized Returns on Equity, Electric Utility Rates
2 Cases Completed in 2012 and 2013

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

4 A. The purpose of my testimony is to provide a customer perspective on TECO's
5 proposed rate increase and to explain the FRF's concerns regarding the
6 Company's return on equity ("ROE") and rate base proposals.

7 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS TO THE COMMISSION.**

8 A. My recommendations to the Commission are as follows:

- 9 1) The Commission should reject TECO's request to include \$174.1 Million of
10 CWIP in rate base. If, however, the Commission determines it necessary to
11 include any CWIP in rate base, it should ensure that the shift of risk from the
12 Company to ratepayers through the inclusion of CWIP in rate base is
13 reflected in the ROE approved in this docket, such that as the level of CWIP is
14 increased from zero, ROE is accordingly reduced.
- 15 2) In setting the ROE for TECO, the Commission should closely examine the
16 Company's proposed revenue increase in light of what appears to be an
17 excessive proposed return on equity and the risk reduction due to the
18 collection of over half of the Company's jurisdictional revenues outside of
19 base rates, the Company's use of a projected test year, and the Company's
20 proposal to include CWIP in rate base.
- 21 3) The Commission should carefully consider the impacts of any increase on
22 customers.

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

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

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

19 **Q. WHAT REVENUE REQUIREMENT INCREASE HAS THE COMPANY PROPOSED IN**
20 **ITS FILING?**

21 A. The Company has proposed a total base rate revenue requirement increase of
22 approximately \$134.8 million. See MFR Schedule A-1. The Company's proposed

1 increase includes base rate increases of approximately \$133.6 million per year
2 and increases in service charges and fees of approximately \$1.2 million per year.

3 See Tampa Electric's Petition at page 6.

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

5 A. The Company is proposing an after-tax ROE of 11.25 percent and a range of 10.5
6 percent to 11.5 percent. See Direct Testimony of Robert B. Hevert, page 3, line
7 17 to line 21. Applying the Company's proposed Net Operating Income
8 multiplier (1.6322, from MFR A-1) to this return indicates that TECO is requesting
9 a before-tax ROE of 18.36 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, especially
12 given the current economic conditions faced by the utility's customers, as well as
13 when viewed in light of (1) the percentage of jurisdictional revenues collected
14 through base rates relative to the percentage of the Company's costs that are
15 recovered through cost recovery rider charges, such as Fuel and Purchased
16 Power Cost Recovery, Environmental Cost Recovery, and Energy Conservation
17 Cost Recovery, (2) the use of a projected test year, and (3) the Company's
18 proposal to include \$174.1 million of CWIP in rate base. Finally, the proposed
19 ROE is significantly higher than ROEs recently approved by the Commission and
20 by other commissions nationwide.

1 **Q. FOR THE COMPANY'S PROPOSED 2014 TEST YEAR, WHAT PERCENT OF**
2 **JURISDICTIONAL REVENUES ARE PROPOSED TO BE COLLECTED THROUGH BASE**
3 **RATES?**

4 **A. Only 48.8 percent, or less than half of TECO's jurisdictional revenues for the**
5 **proposed 2014 test year, would be collected through base rates and would be**
6 **essentially at risk due to forecast error or regulatory lag. See Exhibit SWC-2. As**
7 **such, over half of the Company's revenues would be collected outside of base**
8 **rates through cost recovery rider charges that are reset annually.**

9 **Q. ARE THERE ANY OTHER FACETS OF THE COMPANY'S PROPOSAL IN THIS**
10 **DOCKET THAT COULD REDUCE TECO'S EXPOSURE TO REGULATORY LAG?**

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

17 **Q. DOES THE COMPANY PROPOSE TO INCLUDE CONSTRUCTION WORK IN**
18 **PROGRESS ("CWIP") IN ITS RATE BASE?**

19 **A. Yes. The Company has proposed to include approximately \$174.1 million of**
20 **CWIP in rate base. See MFR Schedule B-1, page 1. This is an increase of**
21 **approximately \$53 million from the CWIP included in rate base for projected**
22 **prior year 2013. See MFR Schedule B-1, page 2.**

1 **Q. IS THE INCLUSION OF CWIP IN RATE BASE OF CONCERN TO FRF?**

2 **A. Yes. The inclusion of CWIP in rate base charges ratepayers for assets that are**
3 **not used and useful in the provision of electric service. Under the Company's**
4 **proposal ratepayers would pay for the assets during a period when they are not**
5 **receiving any benefits from those assets, so the matching principle (i.e.**
6 **customers bearing costs only when they are receiving a benefit) is not satisfied.**
7 **In this case, TECO's customers in 2014, the test year that the Company chose for**
8 **its rate increase request, would pay for assets that do not provide service yet –**
9 **i.e., assets that are not used and useful – during that test year. The problem is**
10 **compounded by changes in the number of customers during the construction**
11 **process. For example, customers may pay for the assets during construction but**
12 **leave the system before they are operational, receiving no benefit from the**
13 **assets for which they helped pay.**

14 **Q. IS THERE ANOTHER CONCERN WITH THE INCLUSION OF CWIP IN RATE BASE**
15 **THAT THE COMMISSION SHOULD CONSIDER?**

16 **A. Yes. Including CWIP in rate base shifts the risks traditionally assumed by**
17 **investors, for which they are compensated through the rate of return elements**
18 **once the plant is in service, and instead places the risks squarely on the**
19 **shoulders of ratepayers with no offer of compensation. Additionally, should the**
20 **Company encounter problems during construction of the plant resulting in**
21 **stoppage of the construction, non-completion of the project and/or substantial**

1 delay in the completion of the project, consumers have no recourse for
2 recovering the money they have paid for the inclusion of CWIP in rate base.

3 **Q. WHAT IS YOUR UNDERSTANDING OF HOW, UNDER TRADITIONAL REGULATORY**
4 **PRACTICES, TECO WOULD RECOVER THE COSTS OF THE ASSETS THAT WILL,**
5 **ACCORDING TO TECO, BE UNDER CONSTRUCTION BUT NOT COMPLETED**
6 **DURING THE COMPANY'S CHOSEN TEST YEAR?**

7 **A. Under traditional regulatory practices, TECO would add the assets to its rate**
8 **base accounts if and when they were completed. They would then be reflected**
9 **in the rate base and depreciation accounts in TECO's earnings surveillance**
10 **reports and would, other things equal, lower TECO's achieved ROE. If and when**
11 **TECO's earnings (i.e., its ROE) were to fall to a level that TECO believed was**
12 **insufficient to enable it to provide adequate and reliable service, TECO would ask**
13 **for a rate increase that would include the value of the assets in some future test**
14 **year.**

15 **Q. WHAT IS FRF'S RECOMMENDATION TO THE COMMISSION REGARDING THE**
16 **INCLUSION OF CWIP IN RATE BASE?**

17 **A. The Commission should reject TECO's request to include \$174.1 Million of CWIP**
18 **in rate base. If, however, the Commission determines it necessary to include any**
19 **CWIP in rate base, it should ensure that the shift of risk from the Company to**
20 **ratepayers through the inclusion of CWIP is reflected in the ROE approved in this**
21 **docket, such that as the level of CWIP is increased from zero, ROE is accordingly**
22 **reduced.**

1 **Q. WHAT IS YOUR UNDERSTANDING OF THE RETURNS ON EQUITY RECENTLY**
2 **APPROVED BY THE COMMISSION?**

3 **A. My understanding is that the Commission approved a ROE of 10.25 percent for**
4 **Gulf in Docket No. 110138-EI and a ROE of 10.5 percent for FP&L in Docket No.**
5 **120015-EI. See Order No. PSC-12-0179-FOF-EI, April 12, 2012, page 52 and Order**
6 **No. PSC-13-0023-S-EI, page 5. Both of these are significantly lower than TECO's**
7 **proposed ROE of 11.25 and, as I will discuss in more detail below, the FP&L ROE**
8 **was the highest ROE awarded nationwide after January, 2012. See Exhibit SWC-**
9 **3.**

10 **Q. WHAT IS YOUR UNDERSTANDING OF THE RETURNS ON EQUITY APPROVED BY**
11 **COMMISSIONS NATIONWIDE IN 2012 AND IN 2013 THUS FAR?**

12 **A. According to data from SNL Financial, a financial news and reporting company,**
13 **the average of the 65 reported electric utility rate case ROEs authorized by**
14 **commissions to investor-owned electric utilities in 2012 and so far in 2013 is 9.97**
15 **percent. The range of reported authorized ROEs for the period is 9.00 percent to**
16 **10.5 percent, and the median authorized ROE is 10 percent. *Id.*, page 2. Both**
17 **the average and median values are significantly below the Company's proposed**
18 **ROE of 11.25 percent and even below 10.5 percent, the low end of the**
19 **Company's proposed range. See Direct Testimony of Robert B. Hevert, page 3,**
20 **line 17 to line 21.**

21

1 **Q. SEVERAL OF THE REPORTED AUTHORIZED ROES ARE FOR DISTRIBUTION-ONLY**
2 **UTILITIES OR FOR ONLY THE UTILITY'S DISTRIBUTION SERVICE RATES. WHAT IS**
3 **THE AVERAGE AUTHORIZED ROE IN THE REPORTED GROUP FOR THE**
4 **VERTICALLY INTEGRATED UTILITIES?**

5 **A. In the group reported by SNL Financial, the average authorized ROE for vertically**
6 **integrated utilities is 10.05 percent. See Exhibit SWC-3, page 2. This is**
7 **essentially equal to the 9.97 percent value for the total group, and still**
8 **significantly below TECO's request.**

9 **Q. HAS THE COMMISSION FOUND THAT AUTHORIZED ROES FROM COMMISSIONS**
10 **IN OTHER JURISDICTIONS SERVE AS A GAUGE TO TEST THE REASONABLENESS**
11 **OF A UTILITY'S ROE?**

12 **A. Yes. See Order No. PSC-12-0179-FOF-EI, April 12, 2012, page 52. As such, while**
13 **FRF recognizes that the ROE approved for TECO in this docket will be based on**
14 **an independent assessment of the testimony and evidence in the record, FRF**
15 **supports the use of ROE decisions from other jurisdictions as a gauge to test the**
16 **reasonableness of the ROE to be used in setting TECO's retail rates.**

17 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION REGARDING**
18 **RETURN ON EQUITY?**

19 **A. In setting the ROE for TECO, the Commission should closely examine the**
20 **Company's proposed revenue increase in light of what appears – specifically in**
21 **light of recent decisions by this Commission and by many other state regulatory**
22 **commissions – to be an excessive proposed return on equity and the risk**

1 reduction due to the collection of over half of the Company's jurisdictional
2 revenues outside of base rates, the Company's use of a projected test year, and
3 the Company's proposal to include CWIP in rate base. The Commission should
4 also carefully consider the impacts of any increase on all customers.

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

6 **A. Yes.**

DOCKET NO. 130040-EI
PETITION FOR INCREASE IN RATES BY
TAMPA ELECTRIC COMPANY

EXHIBITS

OF

STEVE W. CHRISS

ON BEHALF OF

THE FLORIDA RETAIL FEDERATION

Steve W. Chriss

Senior Manager, Energy Regulatory Analysis
Wai-Mart Stores, Inc.

Business Address: 2001 SE 10th Street, Bentonville, AR, 72716-0550
Business Phone: (479) 204-1594

EXPERIENCE

July 2007 – Present

Wai-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

2013

South Carolina Public Service Commission Docket No. 2013-59-E: Application of Duke Energy Carolinas, LLC, for Authority to Adjust and Increase Its Electric Rates and Charges.

Public Utility Commission of Oregon Docket No. UE 262: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.

New Jersey Board of Public Utilities Docket No. ER12111052: In the Matter of the Verified Petition of Jersey Central Power & Light Company For Review and Approval of Increases in and Other Adjustments to Its Rates and Charges For Electric Service, and For Approval of Other Proposed Tariff Revisions In Connection Therewith; and for Approval of an Accelerated Reliability Enhancement Program ("2012 Base Rate Filing")

North Carolina Utilities Commission Docket No. E-7, Sub 1026: In the Matter of the Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service In North Carolina.

Public Utility Commission of Oregon Docket No. UE 264: PACIFICORP, dba PACIFIC POWER, 2014 Transition Adjustment Mechanism.

Public Utilities Commission of California Docket No. 12-12-002: Application of Pacific Gas and Electric Company for 2013 Rate Design Window Proceeding.

Public Utilities Commission of Ohio Docket Nos. 12-426-EL-SSO, 12-427-EL-ATA, 12-428-EL-AAM, 12-429-EL-WVR, and 12-672-EL-RDR: In the Matter of the Application of the Dayton Power and Light Company Approval of its Market Offer.

Minnesota Public Utilities Commission Docket No. E-002/GR-12-961: In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota.

North Carolina Utilities Commission Docket E-2, Sub 1023: In the Matter of Application of Progress Energy Carolinas, Inc. For Adjustment of Rates and Charges Applicable to Electric Service in North Carolina.

2012

Public Utility Commission of Texas Docket No. 40443: Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs.

South Carolina Public Service Commission Docket No. 2012-218-E: Application of South Carolina Electric & Gas Company for Increases and Adjustments in Electric Rate Schedules and Tariffs and Request for Mid-Period Reduction in Base Rates for Fuel.

Kansas Corporation Commission Docket No. 12-KCPE-764-RTS: In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in its Charges for Electric Service.

Kansas Corporation Commission Docket No. 12-GIMX-337-GIV: In the Matter of a General Investigation of Energy-Efficiency Policies for Utility Sponsored Energy Efficiency Programs.

Florida Public Service Commission Docket No. 120015-EI: In Re: Petition for Rate Increase by Florida Power & Light Company.

California Public Utilities Commission 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 Peakers, 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.

Public Utility Commission of Oregon Docket No. UG 173: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Staff Request to Open an Investigation into the Earnings of Cascade Natural Gas.

2006

Public Utility Commission of Oregon Docket No. UE 180/UE 181/UE 184: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for a General Rate Revision.

Public Utility Commission of Oregon Docket No. UE 179: In the Matter of PACIFICORP, dba PACIFIC POWER AND LIGHT COMPANY Request for a general rate increase in the company's Oregon annual revenues.

Public Utility Commission of Oregon Docket No. UM 1129 *Phase II*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

2005

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I Compliance*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

Public Utility Commission of Oregon Docket No. UX 29: In the Matter of QWEST CORPORATION Petition to Exempt from Regulation Qwest's Switched Business Services.

2004

Public Utility Commission of Oregon Docket No. UM 1129 *Phase I*: Investigation Related to Electric Utility Purchases From Qualifying Facilities.

TESTIMONY BEFORE LEGISLATIVE BODIES

2012

Regarding Missouri House Bill 1488: Testimony Before the Missouri House Committee on Utilities, February 7, 2012.

2011

Regarding Missouri Senate Bills 50, 321, 359, and 406: Testimony Before the Missouri Senate Veterans' Affairs, Emerging Issues, Pensions, and Urban Affairs Committee, March 9, 2011.

AFFADAVITS

2011

Colorado Public Utilities Commission Docket No. 11M-951E: In the Matter of the Petition of Public Service Company of Colorado Pursuant to C.R.S. § 40-6-111(1)(d) for Interim Rate Relief Effective on or before January 21, 2012.

ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS

Panelist, Customer Panel, Virginia State Bar 29th National Regulatory Conference, Williamsburg, Virginia, May 19, 2011.

Chriss, S. (2006). "Regulatory Incentives and Natural Gas Purchasing – Lessons from the Oregon Natural Gas Procurement Study." Presented at the 19th Annual Western Conference, Center for Research in Regulated Industries Advanced Workshop in Regulation and Competition, Monterey, California, June 29, 2006.

Chriss, S. (2005). "Public Utility Commission of Oregon Natural Gas Procurement Study." Public Utility Commission of Oregon, Salem, OR. Report published in June, 2005. Presented to the Public Utility Commission of Oregon at a special public meeting on August 1, 2005.

Chriss, S. and M. Radler (2003). "Report from Houston: Conference on Energy Deregulation and Restructuring." USAEE Dialogue, Vol. 11, No. 1, March, 2003.

Chriss, S., M. Dwyer, and B. Pulliam (2002). "Impacts of Lifting the Ban on ANS Exports on West Coast Crude Oil Prices: A Reconsideration of the Evidence." Presented at the 22nd USAEE/IAEE North American Conference, Vancouver, BC, Canada, October 6-8, 2002.

Contributed to chapter on power marketing: "Power System Operations and Electricity Markets," Fred I. Denny and David E. Dismukes, authors. Published by CRC Press, June 2002.

Contributed to "Moving to the Front Lines: The Economic Impact of the Independent Power Plant Development in Louisiana," David E. Dismukes, author. Published by the Louisiana State University Center for Energy Studies, October 2001.

Dismukes, D.E., D.V. Mesyanzhinov, E.A. Downer, S. Chriss, and J.M. Burke (2001). "Alaska Natural Gas In-State Demand Study." Anchorage: Alaska Department of Natural Resources.

Calculation of Proposed Test Year Jurisdictional Revenues Collected through Base Rates

(1)		Jurisdictional Revenues	\$ 1,972,358,000
		<i>Revenue Adjustments</i>	
(2)		Conservation Revenue and Expenses	\$ (51,058,000)
(3)		Environmental Revenues and Expenses	\$ (87,719,000)
(4)		Franchise Fees/Gross Receipts Tax	\$ (83,258,000)
(5)		Fuel Revenue and Expenses	\$ (787,232,000)
(6)		GPIF Revenues/Penalties	\$ (1,501,000)
(7)	± (2) through (7)	Total Revenue Adjustments	\$ (1,010,768,000)
(8)	(1) - (8)	Jurisdictional Adjusted Amount	\$ 961,590,000
(9)	(8) / (1)	Percent of Jurisdictional Revenues in Base Rates	48.8%

Sources:

- (1) MFR Schedule C-2, line 7
- (2) MFR Schedule C-2, column 1.
- (3) MFR Schedule C-2, column 2.
- (4) MFR Schedule C-2, column 3.
- (5) MFR Schedule C-2, column 4.
- (6) MFR Schedule C-2, column 8.

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed in 2012 and 2013

State	Docket	Utility	Distribution		Decision Date
			Only	Authorized ROE	
SC	2011-271-E	Duke Energy Carolinas LLC		10.50%	1/25/2012
NC	E-7, Sub 989	Duke Energy Carolinas LLC		10.50%	1/27/2012
MI	16801	Indiana-Michigan Power Co.		10.20%	2/15/2012
OR	UE 233	Idaho Power Co.		9.90%	2/23/2012
FL	110138	Gulf Power Co.		10.25%	2/27/2012
ND	PU-10-657	Northern States Power Co.		10.40%	2/29/2012
MN	10-971	Northern States Power Co.		10.37%	3/29/2012
HI	2009-0164	Hawaii Electric Light Co.		10.00%	4/4/2012
CO	11AL-947E	Public Service Company of Colorado		10.00%	4/26/2012
HI	2009-0163	Maul Electric Company Ltd		10.00%	5/2/2012
WA	UE-111048	Puget Sound Energy Inc.		9.80%	5/7/2012
AZ	E-01345A-11-0224	Arizona Public Service Co.		10.00%	5/15/2012
IL	11-0721	Commonwealth Edison Co.	Yes	10.05%	5/29/2012
MI	16794	Consumers Energy Co.		10.30%	6/7/2012
NY	11-E-0408	Orange & Rockland Utilities Inc.	Yes	9.40%	6/14/2012
WI	6680-UR-118	Wisconsin Power and Light Co.		10.40%	6/15/2012
WY	20003-114-ER-11	Cheyenne Light Fuel Power Co.		9.60%	6/18/2012
SD	EL11-019	Northern States Power Co.		9.25%	6/19/2012
MI	16830	Wisconsin Electric Power Co.		10.10%	6/26/2012
HI	2009-0080	Hawaiian Electric Co.		10.00%	6/29/2012
OK	PUD 201100087	Oklahoma Gas and Electric Co.		10.20%	7/9/2012
WY	20000-405-ER-11	Rocky Mountain Power		9.80%	7/16/2012
MD	9285	Delmarva Power & Light Co.	Yes	9.81%	7/20/2012
MD	9286	Potomac Edison Power Co.	Yes	9.31%	7/20/2012
TX	39896	Entergy Texas Inc.		9.80%	9/13/2012
IL	12-0001	Ameren Illinois	Yes	10.05%	9/19/2012
UT	11-035-200	Rocky Mountain Power		9.80%	9/19/2012
DC	1087	Potomac Edison Power Co.	Yes	9.50%	9/26/2012
NJ	ER-11080469	Atlantic City Electric Co.	Yes	9.75%	10/23/2012
WI	6690-UR-121	Wisconsin Public Service Corp.		10.30%	10/24/2012
WI	3270-UR-118	Madison Gas and Electric Co.		10.30%	11/9/2012
WI	05-UR-106	Wisconsin Electric Power Co.		10.40%	11/28/2012
CA	A12-02-014	California Pacific Electric Co.		9.88%	11/29/2012
DE	D-11-528	Delmarva Power & Light Co.	Yes	9.75%	11/29/2012
IL	12-0293	Ameren Illinois	Yes	9.71%	12/5/2012
PA	E-2012-2290597	PPL Electric Utilities Corp	Yes	10.40%	12/5/2012
MO	ER-2012-0166	Union Electric Co.		9.80%	12/12/2012
FL	120015	Florida Power & Light		10.50%	12/13/2012
KS	12-KCPE-764-RTS	Kansas City Power & Light		9.50%	12/13/2012
WI	4220-UR-118	Northern States Power Co.		10.40%	12/14/2012
IL	12-0321	Commonwealth Edison Co.	Yes	9.71%	12/19/2012
SC	2012-218-E	South Carolina Electric & Gas		10.25%	12/19/2012
CA	A12-04-018	Pacific Gas & Electric		10.40%	12/20/2012
CA	A12-04-016	San Diego Gas & Electric		10.30%	12/20/2012
CA	A12-04-015	Southern California Edison		10.45%	12/20/2012
KY	2012-00221	Kentucky Utilities		10.25%	12/20/2012
KY	2012-00222	Louisville Gas & Electric		10.25%	12/20/2012
OR	UE 246	PacifiCorp		9.80%	12/20/2012
RI	4323	Narragansett Electric Co.	Yes	9.50%	12/20/2012
NC	E-22, Sub 479	Virginia Electric & Power Co.		10.20%	12/21/2012
WA	UE-120436	Avista Corp.		9.80%	12/26/2012
MO	ER-2012-0174	Kansas City Power & Light		9.70%	1/9/2013
MO	ER-2012-0175	KCP&L Greater Missouri Op Co.		9.70%	1/9/2013
IN	44075	Indiana-Michigan Power Co.		10.20%	2/13/2013
MD	9299	Baltimore Gas and Electric Co.	Yes	9.75%	2/22/2013
LA	U-32220	Southwestern Electric Power Co.		10.00%	2/27/2013
NY	12-E-0201	Niagara Mohawk Power Corp.	Yes	9.30%	3/14/2013

Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed in 2012 and 2013

State	Docket	Utility	Distribution		Decision Date
			Only	Authorized ROE	
ID	AVU-E-12-08	Avista Corp.		9.80%	3/27/2013
OH	12-1682-EL-AIR	Duke Energy Ohio Inc.	Yes	9.84%	5/1/2013
MI	U-17087	Consumers Energy Co.		10.30%	5/15/2013
NC	E-2, Sub 1023	Duke Energy Progress Inc.		10.20%	5/30/2013
HI	2011-0092	Maui Electric Company Ltd		9.00%	5/31/2013
AZ	E-01933A-12-0291	Tucson Electric Power Co.		10.00%	6/11/2013
NJ	ER-12121071	Atlantic City Electric Co.	Yes	9.75%	6/21/2013
WA	UE-130137	Puget Sound Energy Inc.		9.80%	6/25/2013

# of Decisions	65
Average (All Utilities)	9.97%
Average (Excluding Distribution Only)	10.05%
Median	10.00%
Minimum	9.00%
Maximum	10.50%

Source: SNL Financial LC, July 9, 2013

