

Exhibit No.:
Issues: Cost Allocation,
Rate Design
Witness: Richard Baudino
Sponsoring Party: The Commercial
Group
Type of Exhibit: Direct Testimony
Case No.: ER-2008-0318
Date Testimony Prepared: September 11,
2008

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

**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) Case No. ER-2008-0318
the Company's Missouri Service Area)**

**DIRECT TESTIMONY
AND EXHIBIT
OF
RICHARD A. BAUDINO**

**ON BEHALF OF
THE COMMERCIAL GROUP
J. KENNEDY AND ASSOCIATES, INC.
SEPTEMBER 2008**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a)
AmerenUE for Authority to File Tariffs Increasing)
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the Company's Missouri Service Area.)

AFFIDAVIT OF RICHARD A. BAUDINO

STATE OF NORTH CAROLINA)
)
COUNTY OF FORSYTH)

Richard A. Baudino, being first duly sworn, deposes and states that:

1. He is a consultant with Kennedy and Associates in Winston-Salem, North Carolina;
2. He is the witness sponsoring the accompanying testimony entitled Direct Testimony And Exhibit Of Richard A. Baudino;
3. Said testimony was prepared by him and under his direction and supervision;
4. If inquiries were made as to the facts and schedules in said testimony he would respond as therein set forth; and
5. The aforesaid testimony and schedules are true and correct to the best of his knowledge, information and belief.

Richard A. Baudino
Richard A. Baudino

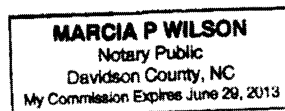
Subscriber and sworn to or affirmed before me this 03 day of September, 2008, by Richard A. Baudino.

Marcia P. Wilson
Notary Public

My Commission No: 20031140011

My Commission Expires: 6/29/2013

(SEAL)



1 I began my professional career with the New Mexico Public Service Commission
2 Staff in October 1982 and was employed there as a Utility Economist. During my
3 employment with the Staff, my responsibilities included the analysis of a broad range
4 of issues in the ratemaking field. Areas in which I testified included cost of service,
5 rate of return, rate design, revenue requirements, analysis of sale/leasebacks of
6 generating plants, utility finance issues, and generating plant phase-ins.

7
8 In October 1989, I joined the utility consulting firm of Kennedy and Associates as a
9 Senior Consultant where my duties and responsibilities covered substantially the
10 same areas as those during my tenure with the New Mexico Public Service
11 Commission Staff. I became Manager in July 1992 and was named Director of
12 Consulting in January 1995. Currently, I am a consultant with Kennedy and
13 Associates.

14
15 Exhibit ____ (RAB-1) summarizes my expert testimony experience.

16
17 **Q. On whose behalf are you testifying?**

18 A. I am testifying on behalf of The Commercial Group.

19
20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony in the proceeding is to respond to the Direct
22 Testimonies of AmerenUE ("Ameren" or "Company") witnesses Wilbon D. Cooper

1 and William M. Warwick. My testimony will cover the areas of customer class cost
2 and revenue allocation and rate design.

3
4 **Q. Before you address the Company's Direct Testimony, please provide a general**
5 **description of the process of allocating cost responsibility to customer classes**
6 **using a cost of service study.**

7
8 A. A class cost of service study allocates and assigns the total cost of providing utility
9 service to the classes of customers receiving that service. In certain instances, the
10 subject utility can identify and directly assign costs to customers. For the vast
11 majority of costs, however, such direct assignments are not possible and a cost of
12 service study is required so that the remaining costs may be allocated to customers.

13
14 The development of a class cost of service study consists of three steps:
15 functionalization, classification, and allocation. Step 1, functionalization, involves
16 separating the utility's investment and expenses into major functional categories.
17 For integrated electric utilities, these categories include production, transmission,
18 and distribution. The FERC Uniform System of Accounts provides the method by
19 which costs are identified and segregated into these various functional categories.

20
21 Step 2 is classification. Once functionalization is complete, the utility's costs are
22 classified into demand, energy, and customer components. Since we are dealing
23 with distribution costs in this proceeding and since these costs do not vary with

1 customers' energy consumption, total costs are classified into demand-related and
2 customer-related costs. Demand-related distribution investment costs are fixed in the
3 short run and are sized based on the yearly demands of the utility's customers. Part
4 of the distribution system investment is considered customer-related and is
5 associated with having the system in place and ready to serve customers regardless
6 of the demands they place on the system.

7
8 Step 3 is allocation. After costs are classified, they are allocated to customer classes
9 based on each class' contribution to the respective cost classifications.

10
11 **Q. Why is a class cost of service study important in the ratemaking process?**

12
13 A. A properly performed class cost of service study assigns and allocates the utility's
14 total cost of service to the customer classes that receive that service. Based on
15 current class revenues, the regulatory commission may then determine whether each
16 customer class is paying its fair share of costs and can then allocate any revenue
17 increase (or decrease) accordingly. For example, a customer class that is not paying
18 its fair share of costs should receive a percentage revenue increase greater than the
19 overall system increase. Likewise, a customer class that is paying more than its fair
20 share of costs should receive a lower than average percentage increase. In certain
21 cases, it may be appropriate for such a class of customers to receive no increase or
22 even a decrease in rates if that class is paying rates greatly in excess of its allocated
23 cost of service.

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Q. Did you review the prefiled Direct Testimony of Ameren witness William Warwick?

A. Yes, I reviewed Mr. Warwick's Direct Testimony. Mr. Warwick performed the Company's class cost of service study ("CCOSS") and his testimony provided a detailed explanation of how the study was performed.

Generation demand costs were allocated to customer classes on the basis of an average and excess demand CCOSS that allocated excess demand on the basis of four class non-coincident peaks ("4NCP"). Transmission demand costs were allocated based on each customer class' contribution to twelve coincident peak ("12 NCP") demands.

Beginning on page 6 of his Direct Testimony, Mr. Warwick explained that a portion of the cost in distribution plant accounts was classified between customer and demand components based on a zero intercept study. A zero intercept study is an appropriate means to classify the demand and customer-related portions of an electric utility distribution system. This study identifies and estimates the portion of distribution system costs that must be incurred by the utility simply to have customers connected to its system, whether they actually take power or not. This portion of total distribution system costs is customer related. The remaining costs are incurred based on the demands placed on the system by customers and are,

1 therefore, demand related costs. Customer-related costs are then allocated to service
2 classes based on the number of customers. Demand-related costs are allocated based
3 on non-coincident demands. AmerenUE's CCOSS appropriately splits distribution
4 system costs by primary and secondary voltage levels.

5
6 Summary results of Ameren's CCOSS were presented in Mr. Warwick's Schedules
7 WMW-E1 and WMW-E2.

8
9 I conducted a detailed review of the Company's CCOSS that was provided in
10 response to The Commercial Group's Data Request 1-1. Based on my review,
11 Ameren's CCOSS provides a reasonable basis for the allocation of costs and of the
12 revenue increase to its customer classes in this proceeding.

13
14 **Q. Please summarize the results of the CCOSS presented by Mr. Warwick.**

15
16 **A.** I have summarized the results below in Table 1. Columns 1 through 3 show each class'
17 relative rate of return ("RROR") index, which measures the class' rate of return on rate
18 base to the overall system rate of return on rate base. A relative rate of return greater
19 than 1.0 indicates that a customer class is paying more for electricity than its allocated
20 cost of service, while a relative rate of return less than 1.0 shows that a customer class is
21 providing less than the system average rate of return and is paying less for electricity
22 than its allocated cost of service. Another way to view these results is that a RROR
23 index greater than 1.0 indicates that a customer class is providing subsidies to other

1 classes, while a RROR index less than 1.0 shows that a customer class is receiving
2 subsidies from other customer classes.

3

	<u>Relative ROR</u>
Residential	0.48
Small General Service	1.57
Large G.S./Small Primary	1.73
Large Primary	0.66
Large Transmission	1.33

4

5

6 Table 1 shows that the Small General Service and Large General Service/Small
7 Primary Service classes are the furthest away from the system average rate of return
8 and that they are providing significant subsidies to other classes under current rates.
9 The Residential and Large Primary classes are paying less for electricity than their
10 cost of service, which also means that customers taking service under these
11 schedules are receiving subsidies from other classes.

12

13 **Q. What do the results of the Company's CCOSS indicate with respect to how class**
14 **revenue increases should be allocated in this proceeding?**

1 A. The CCOSS results presented by Mr. Warwick indicate that Small General Service,
2 Large General Service/Small Primary, and Large Transmission should receive
3 increases that are smaller than the system average increase. This is shown in Mr.
4 Warwick's Schedule WMW-E2, which shows each class' base revenues under equal
5 rates of return at the Company's requested increase. The dollar and percentage
6 increases for each class are shown below in Table 2.

7

	<u>Increase</u>	<u>Pct.</u> <u>Increase</u>
Residential	\$ 185,212	21%
Small General Service	\$ 13,399	6%
Large G.S./Small Primary	\$ 21,133	3%
Large Primary	\$ 23,606	15%
Large Transmission	\$ 7,456	6%
Lighting	\$ -	0%
Total System	\$ 250,806	12%

8

9

10 **Q. Please summarize the Direct Testimony of Mr. Wilbon L. Cooper.**

11

12 A. Among other things, Mr. Cooper presented the Company's class revenue allocation
13 proposals, which begin on page 15 of his Direct Testimony. Mr. Cooper did not

1 follow the results of the CCOSS presented by Mr. Warwick and, instead,
2 recommended an across-the-board (“ATB”), or equal percentage increase for all
3 customer classes. This means that each class would receive a 12% increase, not the
4 cost of service based increases shown on Mr. Warwick’s Schedule WMW-E2 and
5 my Table 2. On page 17, Mr. Cooper stated that other factors, such as revenue
6 stability, public acceptance, and value of service are relevant in determining
7 customer class revenue requirements. He also stated, beginning on line 14 of page
8 17, that the Company’s across-the-board increase is “somewhat consistent with the
9 Commission approved Nonunanimous Stipulation and Agreement Concerning Class
10 Cost of Service and Certain Rate Design Issues” in Case No. ER-2007-0002.

11
12 **Q. Is Mr. Cooper’s proposed ATB increase reasonable?**

13
14 **A.** No. The Company’s proposed ATB increase for all customer classes is unreasonable
15 and should be rejected by the Commission.

16
17 Using an ATB approach does nothing to address the significant subsidies embedded
18 in Ameren’s current rate structure. It is both economically inefficient and unfair to
19 purposely build subsidies into rates. Rates that are based on the cost to serve provide
20 the best price signals to customers and furnish incentives for the most efficient use of
21 electricity. From the standpoint of fairness, it is unfair for one customer class to pay
22 more than its fair share of costs while another class pays less. The Company’s ATB
23 proposal is both economically inefficient and unfair to its customers.

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Mr. Cooper cited “revenue stability, public acceptance, and value of service” as other factors to be considered besides cost of service. However, he never supported this position or stated with any specificity how or why these factors should override cost-based rates. Mr. Cooper’s position fails to support deviating from the Company’s own CCOSS results and should be rejected by the Commission.

Mr. Cooper also cited the Nonunanimous Stipulation and Agreement Concerning Class Cost of Service and Certain Rate Design Issues in Case No. ER-2007-0002 as a basis for the Company’s ATB proposal. It is highly inappropriate to use a settlement among parties as a basis for revenue allocation in this proceeding. Settlements cannot be used as precedent in future cases, a fact with which Mr. Cooper agreed on page 18 of his Direct Testimony. Such agreements are the result of much give-and-take by all of the parties in the case and are based on the unique circumstances of each case. In fact, the language of the Stipulation in Case No. ER-2007-0002 clearly indicates that it was not intended to be precedential in future cases such as this one. The Stipulation in Case No. ER-2007-0002 is irrelevant in this proceeding and I recommend that the Commission give it no weight in its determination of class revenue allocations in this case.

Q. What is your recommendation for revenue allocation in this proceeding?

A. I recommend that the Commission allocate any revenue increase in this case based

1 on the results of Ameren's CCOSS as presented by Mr. Warwick and Mr. Cooper. If
2 the Commission grants the entire increase being requested by Ameren the Large
3 General Service/Small Primary Service classes should receive a 3% increase; about
4 one-fourth of the Company's proposed 12% increase.

5

6 If the Commission grants a smaller increase than the Company is requesting in this
7 case, I recommend that the class increases shown on Table 2 be scaled back
8 proportionately by the same percentage as the overall system increase is reduced.

9

10 **Q. Does this conclude your Direct Testimony?**

11 **A. Yes.**

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Case No. ER-2008-0318

**EXHIBIT
OF
RICHARD A. BAUDINO**

**ON BEHALF OF
THE COMMERCIAL GROUP**

J. KENNEDY AND ASSOCIATES, INC.

SEPTEMBER 2008

RESUME OF RICHARD A. BAUDINO

EDUCATION

New Mexico State University, M.A.
Major in Economics
Minor in Statistics

New Mexico State University, B.A.
Economics
English

Twenty five years of experience in utility ratemaking. Broad based experience in revenue requirement analysis, cost of capital, utility financing, phase-ins, auditing and rate design. Has designed revenue requirement and rate design analysis programs.

REGULATORY TESTIMONY

Preparation and presentation of expert testimony in the areas of:

Electric and Gas Utility Rate Design
Cost of Capital for Electric, Gas and Water Companies
Ratemaking Treatment of Generating Plant Sale/Leasebacks
Electric and Gas Utility Cost of Service
Revenue Requirements
Gas industry restructuring and competition
Fuel cost auditing

J. KENNEDY AND ASSOCIATES, INC.

RESUME OF RICHARD A. BAUDINO

EXPERIENCE

1989 to

Present: Kennedy and Associates: Consultant - Responsible for consulting assignments in the area of revenue requirements, rate design, cost of capital, economic analysis of generation alternatives, gas industry restructuring and competition.

1982 to

1989: New Mexico Public Service Commission Staff: Utility Economist - Responsible for preparation of analysis and expert testimony in the areas of rate of return, cost allocation, rate design, finance, phase-in of electric generating plants, and sale/leaseback transactions.

CLIENTS SERVED

Regulatory Commissions

Louisiana Public Service Commission
Georgia Public Service Commission
New Mexico Public Service Commission

Industrial Groups

Ad Hoc Committee for a Competitive
Electric Supply System
Air Products and Chemicals, Inc.

Arkansas Electric Energy Consumers
Arkansas Gas Consumers
Armco Steel Company, L.P.
Association of Business Advocating
Tariff Equity
CF&I Steel, L.P.
Climax Molybdenum Company
General Electric Company
Industrial Energy Consumers
Kentucky Industrial Utility Consumers
Large Electric Consumers Organization
Newport Steel
Northwest Arkansas Gas Consumers
Maryland Industrial Group

Occidental Chemical
PSI Industrial Group
Taconite Intervenor (Minnesota)
Tyson Foods
West Virginia Energy Users Group

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Richard A. Baudino
As of June 2008**

Date	Case	Jurisdct.	Party	Utility	Subject
3/83	1780	NM	New Mexico Public Service Commission	Boles Water Co.	Rate design, rate of return.
10/83	1803, 1817	NM	New Mexico Public Service Commission	Southwestern Electric Coop	Rate design.
11/84	1833	NM	New Mexico Public Service Commission	El Paso Electric Co.	Service contract approval, rate design, performance standards for Palo Verde nuclear generating system
1983	1835	NM	New Mexico Public Service Commission	Public Service Co. of NM	Rate design.
1984	1848	NM	New Mexico Public Service Commission	Sangre de Cristo Water Co.	Rate design.
02/85	1906	NM	New Mexico Public Service Commission	Southwestern Public Service Co.	Rate of return.
09/84	1907	NM	New Mexico Public Service Commission	Jornada Water Co.	Rate of return.
11/85	1957	NM	New Mexico Public Service Commission	Southwestern Public Service Co.	Rate of return.
04/86	2009	NM	New Mexico Public Service Commission	El Paso Electric Co.	Phase-in plan, treatment of sale/leaseback expense.
06/86	2032	NM	New Mexico Public Service Commission	El Paso Electric Co.	Sale/leaseback approval.
09/86	2033	NM	New Mexico Public Service Commission	El Paso Electric Co.	Order to show cause, PVNGS audit.
02/87	2074	NM	New Mexico Public Service Commission	El Paso Electric Co.	Diversification.
05/87	2089	NM	New Mexico Public Service Commission	El Paso Electric Co.	Fuel factor adjustment.
08/87	2092	NM	New Mexico Public Service Commission	El Paso Electric Co.	Rate design.
10/88	2146	NM	New Mexico Public	Public Service Co.	Financial effects of

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Richard A. Baudino
As of June 2008**

Date	Case	Jurisdic.	Party	Utility	Subject
			Service Commission	of New Mexico	restructuring, reorganization.
07/88	2162	NM	New Mexico Public Service Commission	El Paso Electric Co.	Revenue requirements, rate design, rate of return.
01/89	2194	NM	New Mexico Public Service Commission	Plains Electric G&T Cooperative	Economic development.
1/89	2253	NM	New Mexico Public Service Commission	Plains Electric G&T Cooperative	Financing.
08/89	2259	NM	New Mexico Public Service Commission	Homestead Water Co.	Rate of return, rate design.
10/89	2262	NM	New Mexico Public Service Commission	Public Service Co. of New Mexico	Rate of return.
09/89	2269	NM	New Mexico Public Service Commission	Ruidoso Natural Gas Co.	Rate of return, expense from affiliated interest.
12/89	89-208-TF	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Rider M-33.
01/90	U-17282	LA	Louisiana Public Service Commission	Gulf States Utilities	Cost of equity.
09/90	90-158	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co.	Cost of equity.
09/90	90-004-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Cost of equity, transportation rate.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission	Gulf States Utilities	Cost of equity.
04/91	91-037-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Transportation rates.
12/91	91-410-EL-AIR	OH	Air Products & Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Cost of equity.
05/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Cost of equity, rate of return.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
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Richard A. Baudino
As of June 2008**

Date	Case	Jurisdct.	Party	Utility	Subject
09/92	92-032-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Cost of equity, rate of return, cost-of-service.
09/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost of equity, rate of return.
09/92	92-009-U	AR	Tyson Foods	General Waterworks	Cost allocation, rate design.
01/93	92-346	KY	Newport Steel Co.	Union Light, Heat & Power Co.	Cost allocation.
01/93	39498	IN	PSI Industrial Group	PSI Energy	Refund allocation.
01/93	U-10105	MI	Association of Businesses Advocating Tariff Equality (ABATE)	Michigan Consolidated Gas Co.	Return on equity.
04/93	92-1464-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Return on equity.
09/93	93-189-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Transportation service terms and conditions.
09/93	93-081-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Cost-of-service, transportation rates, rate supplements; return on equity; revenue requirements.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Historical reviews; evaluation of economic studies.
03/94	10320	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Trimble County CWIP revenue refund.
4/94	E-015/GR-94-001	MN	Large Power Intervenors	Minnesota Power Co.	Evaluation of the cost of equity, capital structure, and rate of return.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Richard A. Baudino
As of June 2008**

Date	Case	Jurisdiction	Party	Utility	Subject
5/94	R-00942993	PA	PG&W Industrial Intervenor	Pennsylvania Gas & Water Co.	Analysis of recovery of transition costs.
5/94	R-00943001	PA	Columbia Industrial Intervenor	Columbia Gas of Pennsylvania	Evaluation of cost allocation, rate design, rate plan, and carrying charge proposals.
7/94	R-00942986	PA	Armco, Inc., West Penn Power Industrial Intervenor	West Penn Power Co.	Return on equity and rate of return.
7/94	94-0035-E-42T	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Return on equity and rate of return.
8/94	8652	MD	Westvaco Corp.	Potomac Edison Co.	Return on equity and rate of return.
9/94	930357-C	AR	West Central Arkansas Gas Consumers	Arkansas Oklahoma Gas Corp.	Evaluation of transportation service.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Return on equity.
9/94	8629	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Transition costs.
11/94	94-175-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Cost-of-service, rate design, rate of return.
3/95	RP94-343-000	FERC	Arkansas Gas Consumers	NorAm Gas Transmission	Rate of return.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Return on equity.
6/95	U-10755	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Revenue requirements.
7/95	8697	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost allocation and rate design.
8/95	95-254-TF U-2811	AR	Tyson Foods, Inc.	Southwest Arkansas Electric Cooperative	Refund allocation.
10/95	ER95-1042	FERC	Louisiana Public	Systems Energy	Return on Equity.

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Date	Case	Jurisdct.	Party	Utility	Subject
	-000		Service Commission	Resources, Inc.	
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Investigation into Electric Power Competition.
5/96	96-030-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Revenue requirements, rate of return and cost of service.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp.	Return on Equity.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Return on equity, rate of return.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
1/97	RP96-199-000	FERC	The Industrial Gas Users Conference	Mississippi River Transmission Corp.	Revenue requirements, rate of return and cost of service.
3/97	96-420-U	AR	West Central Arkansas Gas Corp.	Arkansas Oklahoma Gas Corp.	Revenue requirements, rate of return, cost of service and rate design.
7/97	U-11220	MI	Association of Business Advocating Tariff Equity	Michigan Gas Co. and Southeastern Michigan Gas Co.	Transportation Balancing Provisions
7/97	R-00973944	PA	Pennsylvania American Water Large Users Group	Pennsylvania-American Water Co.	Rate of return, cost of service, revenue requirements.
3/98	8390-U	GA	Georgia Natural Gas Group and the Georgia Textile Manufacturers Assoc.	Atlanta Gas Light	Rate of return, restructuring issues, unbundling, rate design issues.
7/98	R-00984280	PA	PG Energy, Inc.	PGE Industrial Intervenors	Cost allocation.
8/98	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.

J. KENNEDY AND ASSOCIATES, INC.

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Date	Case	Jurisdct.	Party	Utility	Subject
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric Co.	Return on equity, rate of return.
10/98	U-23327	LA	Louisiana Public Service Commission	SWEPCO, CSW and AEP	Analysis of proposed merger.
12/98	98-577	ME	Maine Office of the Public Advocate	Maine Public Service Co.	Return on equity, rate of return.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity, rate of return.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co	Return on equity.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Return on equity.
4/99	R-984554	PA	T. W. Phillips Users Group	T. W. Phillips Gas and Oil Co.	Allocation of purchased gas costs.
6/99	R-0099462	PA	Columbia Industrial Intervenors	Columbia Gas of Pennsylvania	Balancing charges.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Cost of debt.
10/99	R-00994782	PA	Peoples Industrial Intervenors	Peoples Natural Gas Co.	Restructuring issues.
10/99	R-00994781	PA	Columbia Industrial Intervenors	Columbia Gas of Pennsylvania	Restructuring, balancing charges, rate flexing, alternate fuel.
01/00	R-00994786	PA	UGI Industrial Intervenors	UGI Utilities, Inc.	Universal service costs, balancing, penalty charges, capacity assignment.

J. KENNEDY AND ASSOCIATES, INC.

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Date	Case	Jurisdct.	Party	Utility	Subject
01/00	8829	MD	Maryland Industrial Gr. & United States	Baltimore Gas & Electric Co.	Revenue requirements, cost allocation, rate design.
02/00	R-00994788	PA	Penn Fuel Transportation	PFG Gas, Inc., and	Tariff charges, balancing provisions.
05/00	U-17735	LA	Louisiana Public Service Comm.	Louisiana Electric Cooperative	Rate restructuring.
07/00	2000-080	KY	Kentucky Industrial Utility Consumers	Louisville Gas and Electric Co.	Cost allocation.
07/00	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket E)	LA	Louisiana Public Service Comm.	Southwestern Electric Power Co.	Stranded cost analysis.
09/00	R-00005654	PA	Philadelphia Industrial And Commercial Gas Users Group.	Philadelphia Gas Works	Interim relief analysis.
10/00	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket B)	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Restructuring, Business Separation Plan.
11/00	R-00005277 (Rebuttal)	PA	Penn Fuel Transportation Customers	PFG Gas, Inc. and North Penn Gas Co.	Cost allocation issues.
12/00	U-24993	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Return on equity.
03/01	U-22092	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Stranded cost analysis.
04/01	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket B) (Addressing Contested Issues)	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Restructuring issues.
04/01	R-00006042	PA	Philadelphia Industrial and Commercial Gas Users Group	Philadelphia Gas Works	Revenue requirements, cost allocation and tariff issues.
11/01	U-25687	LA	Louisiana Public Service Comm.	Entergy Gulf States, Inc.	Return on equity.
03/02	14311-U	GA	Georgia Public	Atlanta Gas Light	Capital structure.

J. KENNEDY AND ASSOCIATES, INC.

**Expert Testimony Appearances
of
Richard A. Baudino
As of June 2008**

Date	Case	Jurisdct.	Party	Utility	Subject
			Service Commission		
08/02	2002-00145	KY	Kentucky Industrial Utility Customers	Columbia Gas of Kentucky	Revenue requirements.
09/02	M-00021612	PA	Philadelphia Industrial And Commercial Gas Users Group	Philadelphia Gas Works	Transportation rates, terms, and conditions.
01/03	2002-00169	KY	Kentucky Industrial Utility Customers	Kentucky Power	Return on equity.
02/03	02S-594E	CO	Cripple Creek & Victor Gold Mining Company	Aquila Networks – WPC	Return on equity.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
10/03	CV020495AB	GA	The Landings Assn., Inc.	Utilities Inc. of GA	Revenue requirement & overcharge refund
03/04	2003-00433	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric	Return on equity, Cost allocation & rate design
03/04	2003-00434	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Return on equity
4/04	04S-035E	CO	Cripple Creek & Victor Gold Mining Company, Goodrich Corp., Holcim (U.S.) Inc., and The Trane Co.	Aquila Networks – WPC	Return on equity.
9/04	U-23327, Subdocket B	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Fuel cost review
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Return on Equity

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**Expert Testimony Appearances
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As of June 2008**

Date	Case	Jurisdct.	Party	Utility	Subject
06/05	050045-EI	FL	South Florida Hospital and HealthCare Assoc.	Florida Power & Light Co.	Return on equity
08/05	9036	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Revenue requirement, cost allocation, rate design, Tariff issues.
01/06	2005-0034	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Return on equity.
03/06	05-1278-E-PC-PW-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Return on equity.
04/06	U-25116	LA	Louisiana Public Service Commission	Entergy Louisiana, LLC	Transmission Issues
07/06	U-23327	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Return on equity, Service quality
08/06	ER-2006-0314	MO	Missouri Office of the Public Counsel	Kansas City Power & Light Co.	Return on equity, Weighted cost of capital
08/06	06S-234EG	CO	CF&I Steel, L.P. & Climax Molybdenum	Public Service Company of Colorado	Return on equity, Weighted cost of capital
01/07	06-0960-E-42T	WV	West Virginia Energy Users Group	Monongahela Power & Potomac Edison	Return on Equity
01/07	43112		AK Steel, Inc.	Vectren South, Inc.	Cost allocation, rate design
05/07	2006-661		Maine Office of the Public Advocate	Bangor Hydro-Electric	Return on equity, weighted cost of capital.
09/07	07-07-01		Connecticut Industrial Energy Consumers	Connecticut Light & Power	Return on equity, weighted cost of capital
10/07	05-UR-103		Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Return on equity
11/07	29797		Louisiana Public Service Commission	Cleco Power :LLC & Southwestern Elec. Power	Lignite Pricing, support of settlement
01/08	07-551-EL-AIR		Ohio Energy Group	Ohio Edison, Cleveland Electric, Toledo Edison	Return on equity
03/08	07-0585,	IL	The Commercial Group	Ameren	Cost allocation, rate design

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**Expert Testimony Appearances
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As of June 2008**

Date	Case	Jurisdct.	Party	Utility	Subject
	07-0585, 07-0587, 07-0588, 07-0589, 07-0590, (consol.)				
04/08	07-0566	IL	The Commercial Group	Commonwealth Edison	Cost allocation, rate design
06/08	R-2008- 2011621	PA	Columbia Industrial Intervenors	Columbia Gas of PA	Cost and revenue allocation, Tariff issues
07/08	R-2008- 2028394	PA	Philadelphia Area Industrial Energy users Group	PECO Energy	Cost and revenue allocation, Tariff issues
07/08	R-2008- 2039634	PA	PPL Gas Large Users Gp.	PPL Gas	Retainage, LUFPG Pct.
08/08	6680-UR- 116	WI	Wisconsin Industrial Energy Group	Wisconsin P&L	Cost of Equity
08/08	6690-UR- 119	WI	Wisconsin Industrial Energy Group	Wisconsin PS	Cost of Equity

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