

RICHARD E. STINNEFORD

Mr. Stinneford, a Member of Cablesave, LLC, has 30 years of experience with a broad range of issues in the electric and gas utility industries, including pricing and rates, resource and integrated planning, valuation, prudence and contract reviews, and utility restructuring, among others. He has testified as an expert witness numerous times before U.S. courts, the Federal Energy Regulatory Commission, state regulatory authorities and arbitrators on a variety of issues. He has appeared before utility commissions in Texas, Maine, Delaware, Maryland, New Hampshire, Virginia, New Mexico, Indiana, Iowa, Louisiana, and Arkansas. He is also a Member of the Washington Utility Group, LLC. Before the forming of Cablesave, LLC and the Washington Utility Group, LLC, Mr. Stinneford was a long-term member of Ernst & Young's former utility consulting practice.

EXPERIENCE

Electric System Planning and Operations

On behalf of a variety of clients, Mr. Stinneford has conducted numerous electric planning and operations analyses including load forecasting, power pooling, production costing/system dispatch reviews, capacity planning studies, capacity bidding programs and reliability studies.

- **Nevada Power** — The development of a competitive bidding process and RFP for new generation resources.
- **Texas Public Service Commission** — Performance of a detailed review of the system planning process of Houston Lighting & Power Company (HL&P).
- **Arizona Corporation Commission** — Direction of a detailed review of system planning as part of a comprehensive review of the Palo Verde Nuclear Generating Station project.
- **Sierra Pacific Power Company** — Performance of a system planning and load forecasting review in support of rate base treatment for a new generating unit.
- **Sunflower Electric Cooperative, Inc.** — Evaluation of the economics of a long-term firm energy and capacity sale to a non-associated utility.
- **Texas-New Mexico Power Company** — Assistance to TNP in rate filings before the Texas Public Service Commission in support of rate recovery for TNP Units 1 and 2. Specific responsibilities included life-cycle costing analysis of the units versus alternatives at

several periods during the planning and construction of those units.

- **World Bank** — Management audit of the Trinidad and Tobago Electricity Commission. Specific responsibilities included the review of T&TEC's system planning processes as well as reliability, production costing, and financial evaluation models.
- **New Mexico Public Service Commission** — Performance of a detailed system planning prudence review associated with the Public Service Company of New Mexico's (PNM) participation in the Palo Verde Nuclear Generating Station.
- **Four States Monitoring Committee** — Performance of a transmission study to assess the ability of the owners of the Palo Verde Nuclear Generating Station to market excess power and energy around the region.
- **Centerior Energy** — Performance of a system reliability study to assess the need for capacity of the Centerior system. The study was performed to determine appropriate rate making treatment for a new generating unit.
- **Metro-North Commuter Railroad** — Analysis of Metro-North's electric requirements and the identification of its power supply alternatives.
- ? **National Coal Association** — Evaluation of the relative economics of fluidized bed coal-fired generation relative to the proposed purchase of power by Central Maine Power from Hydro-Quebec. The analysis compared the likely life-cycle cost of the two alternative sources of base-load power.

Natural Gas Planning and Operations

Mr. Stinneford has also conducted analyses of LDC and pipeline contracting and gas dispatch procedures. He also has assisted gas utilities with the design and evaluation of gas DSM and conservation programs and their inclusion into integrated resource planning.

- ? **Washington Gas** — Evaluation of the energy impact of commercial/multi-family conservation programs on energy use as part of the least-cost planning process of Washington Gas.
- **Washington Gas** — Evaluation of the internal consistency of the various components of the Washington Least Cost Plan.

- **Tri-State Customer Alliance** — Analysis of the prudence of the gas supply planning of Texas Eastern pipeline system and associated costs.
- **Baltimore Thermal Energy Corporation** — Analysis of the cost and benefit impact of the inclusion of two-stage, steam absorption chillers on the Baltimore Gas and Electric Company's gas cooling DSM program.
- **Midwest Energy** — Development of a gas supply strategy incorporating the impact of Order 436. The effort included the development of a gas supply model to determine the optimal supply mix taking into account both costs and risks.
- **Texas Utilities** — Performance of a management audit of the Texas Utilities Fuel Company. Included in the audit are the gas acquisition, supply planning, gas dispatching, and operations functions of the Company.
- **New Jersey Board of Public Utilities**— Performance of a comprehensive management audit of New Jersey Natural Gas. Specific responsibilities include the review of the gas supply, system planning, and gas dispatching functions of the utility.
- **Public Utilities Commission of Ohio** — Evaluation of the gas purchasing practices and policies of Dayton Power & Light Company.
- **Connecticut Natural Gas** — Analysis of the factors influencing decreasing natural gas use per customer for over 30 separate rate codes.

Costing and Rates

Mr. Stinneford has extensive experience in the areas of traditional and innovative cost of service and rate design for electric and gas utilities. He has conducted both embedded and marginal cost of service studies and has designed both cost-based and market-based rates.

- ? **Western Resources** — Performance of a fully allocated, embedded cost of service study for Western's Kansas jurisdictions.
- ? **Central Montana Power Cooperative and Big Horn County Electric Cooperative** — Calculation of the stranded costs of Northwestern Energy attributable to Central's and Big Horn's wholesale contracts.
- ? **Dairyland Power Cooperative** — Designed new wholesale tariffs

to reflect changes in this Wisconsin utility's operating environment and in the market.

- ? **United Cities Gas** — Performance of a fully allocated, embedded cost of service study for United Cities' Iowa jurisdiction.
- **Washington Gas** — Evaluation of the relationship between the proposed cost allocations and rate designs of Virginia Power Company and its embedded costs.
- ? **South Florida Cogeneration Associates** — Development of the cost of service to jurisdictional and non-jurisdictional customers.
- **Time Differentiated Accounting Cost Studies and Short Run Marginal Cost Studies** — For a number of different clients, the analysis of a utility's time differentiated embedded costs and/or short run marginal costs for purposes of class cost allocation and rate design. These efforts required performing simulated redispatches of the utility's generation system. The utilities on which analyses were performed include:
 - Arkansas Power & Light Company
 - Indianapolis Power & Light Company
 - Central Maine Power Company
 - Montana Power Company
 - Empire District Electric Company
 - Northern Indiana Public Service Company
 - Public Service of Indiana
 - Arizona Public Service Company
 - Missouri Public Service Company (Utilicorp)
 - Southern Indiana Public Service Company
 - Tucson Electric Company
 - City of Richmond, Ind.
 - Southwestern Electric Power Company.
- **Empire District Electric Company** — Performance of a fully allocated traditional cost-of-service study as well as a fully allocated embedded time-of-use cost study for the Company's Missouri jurisdiction.
- **Indianapolis Power & Light Company** — Performance of a fully allocated class cost-of-service study for the Company's Indiana jurisdiction.
- **Industrial Energy Consumer Group** — Performance of a fully allocated time differentiated cost-of-service study and rate design in a Central Maine Power Company rate case.

- **Washington Gas** — Analysis of the rate filing of the Potomac Electric Power Company (PEPCO) before the District of Columbia Public Service Commission. Specific issues of analysis included PEPCO's calculation of marginal costs, its reconciliation methods, its assignment of costs to seasons, its selection of appropriate rating periods, and the cost basis of its retail rate design, particularly its proposed tailblock rates.
- **Washington Gas** — Analysis of two separate retail rate filings of the Potomac Electric Power Company (PEPCO) before the Maryland Public Service Commission (Docket Numbers 8251 and 8315). Issues included PEPCO's calculation of marginal costs, its assignment of costs to seasons, its selection of appropriate rating periods, and the cost basis of its retail rate design.

Litigation

A substantial portion of Mr. Stinneford's experience is related to support of clients involved in civil litigation. His litigation experience includes the following engagements:

- ? **Consolidation Coal Company** — Assistance in a coal supply contract dispute before the U.S. District Court. Support included an analysis of the plaintiff's operating costs and efficiency within the plaintiff's geographic market area.
- ? **Hydro-Quebec** — Assistance in a power supply contract dispute before the American Arbitration Association. Support included the repricing of deliveries of power consistent with the plaintiff's interpretation of the contract provisions.
- ? **Conoco** — Evaluation of the damages associated with alleged overcharges of intrastate gas sold by Conoco and re-sold to customers of a retail gas utility in the State of New Mexico.
- ? **Cajun Electric Power Cooperative** — Assistance to this cooperative utility in litigation concerning Cajun's minority interest in the River Bend nuclear generating station. Support included the calculation of damages associated with the contract between Cajun and Gulf States Utilities (now an operating company of Entergy).
- ? **Unocal Geothermal Division and Pacific Gas & Electric Company** — Evaluation and documentation of the operating procedures followed by Pacific Gas & Electric Company during times of excess hydro power availability. The independent review resulted from litigation stemming from a contractual dispute between Unocal and PG&E.

- ? **Vinson & Elkins** — Assistance in a large litigation for an engineering and construction firm involved in the design and construction of a nuclear power facility. The engagement involved an assessment of the ability of the owners of the plant to finance its construction on a timely basis.
- ? **City of Lakeland** — Assistance to a municipal utility in Florida involved in litigation associated with the performance of a number of operating systems at an electric power plant. The assistance included the calculation of damages consisting of direct cost of replacement, increased cost of replacement power, and lost revenues from existing power contracts.
- ? **Shutts & Bowen** — Assistance with the calculation of alleged damages associated with the failure of a steam turbine unit at an electric power generating plant. The engagement consisted of a critical review of the plaintiff's claim and the preparation of alternative analyses of direct and consequential damages, including the cost of replacement power.

Other Relevant Experience

Mr. Stinneford has experience in a number of other utility areas including electric utility restructuring, mergers, business valuations and independent power, among others.

- ? **City of New Orleans** — Mr. Stinneford has been a long-term advisor to the City Council's Regulatory Office that serves as the retail regulator of Entergy New Orleans. His specific responsibilities are the evaluation of the financial performance and reporting of Entergy New Orleans, Entergy Corporation and Entergy Corporation's various other subsidiaries, particularly its unregulated businesses. He is also responsible for monitoring Entergy's compliance with the Public Utility Holding Company Act as well as for monitoring the effect of SEC policies and federal legislation on Entergy.
- ? **New Hampshire Governor's Office** — Assistance in restructuring proceedings involving jurisdictional utilities in the state. We represented the Governor's Office in negotiating settlement agreements with Granite State Electric, a subsidiary of the New England Electric System, and Public Service of New Hampshire, a subsidiary of Northeast Utilities, both multi-state, registered holding companies.

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Valuation Studies — Mr. Stinneford has performed a number of financial evaluations and valuation studies for a variety of clients. Most of these were related to the potential acquisition of both additional utility and non-utility assets.

TESTIMONY

- Indiana Public Service Commission, Cause #35780-S4, for the IPSC staff on the time differentiated accounting costs of Indianapolis Power & Light Company, March 1981.
- Indiana Public Service Commission, Cause #35780-S5, for the IPSC staff on the time differentiated accounting costs of the Southern Indiana Gas and Electric Company, April 1981.
- Indiana Public Service Commission, Cause #35780-S6, for the IPSC staff on the time differentiated accounting costs of Richmond Power & Light, May 1981.
- Arkansas Public Service Commission, Docket #82-314-U, for Arkansas Power & Light on time differential accounting costs, 1983.
- Louisiana Public Service Commission, Docket Nos. U-16038, U-16039, and U-16207, for Applied Energy Services on the avoided costs of Gulf States Utilities, August 1984 (rebuttal testimony November 1984).
- Maine Public Utilities Commission, Docket #86-2, for the Industrial Energy Consumer Group on cost-of-service and rate design of Central Maine Power Company, July 1986.
- New Mexico Public Service Commission, Case #2087, for the NMPSC staff on the system planning prudence of Public Service of New Mexico, July 1989.
- Public Utilities Commission of Texas, Docket #6667, for the PUCT staff on the system planning prudence of the Houston Lighting and Power Company, June 1989.
- Public Utilities Commission of Texas, Docket #6992, for Texas-New Mexico Power Company on the life cycle costs of TNP One, April 1990.

- Public Utilities Commission of Texas, Docket #9491, for Texas-New Mexico Power Company on the prudence of TNP's decision to construct TNP One, August 1990.
- State Corporation Commission of Virginia, Case No. PUE920041, for Washington Gas on the application of Virginia Power Company for an increase in rates, February 16, 1993.
- Public Utilities Commission of Texas, Docket #10832, for Destec Energy, Inc. on the standard avoided cost calculation for the purchase of firm energy and capacity of the Houston Lighting & Power Company, August 11, 1993.
- Public Service Commission of Maryland, Case No. 8564, for Baltimore Thermal Energy Corporation on the commercial gas air-conditioning program of the Baltimore Gas and Electric Company, December 21, 1993.
- ? American Arbitration Association, for Hydro-Quebec, on a dispute on the correct calculation of pricing provisions in a power supply contract, June 1997.
- ? United States District Court, Eastern District of Missouri, Eastern Division, No. 4:96CV01881JCH, for Consolidation Coal Company relating to a coal supply contract between Consolidation and Union Electric, February 27, 1998
- ? New Hampshire Public Utilities Commission, Docket No. DR 98-012, for the Governor's Office of Energy and Community Services on the restructuring of Granite State Electric, an operating subsidiary of the New England Electric System, March and May 1998.
- ? Federal Energy Regulatory Commission, Docket No. SC00-1-001, for Central Montana Power Electric Cooperative, Inc. and Big Horn County Electric Cooperative, Inc. on the stranded costs of Northwestern Energy, LLC attributable to Central and Big Horn, July 2, 2002.
- ? Public Service Commission of the State of Delaware, Docket No. 05-304, for Comcast Cable Communications, Inc. on cost of service and rate design applicable to cable television power supplies in the Delmarva Power, Inc. Delaware service territory, December 9, 2005.
- ? Public Service Commission of Maryland, Docket No. 9093, on behalf of Comcast Cable Communications, Inc. on cost of service

and rate design applicable to cable television power supplies in the Delmarva Power, Inc. Maryland service territory, March 5, 2007.

EDUCATION

Mr. Stinneford holds an M.A. in applied economics from the Binghamton University, where he specialized in mathematical economics and econometrics. He also holds and an A.B. (summa cum laude) in mathematics and economics from Bucknell University.