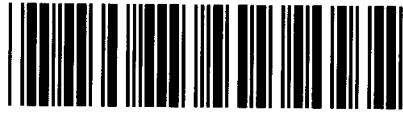




Control Number: 42866



Item Number: 19

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

SOAH DOCKET NO. 582-14-3382
TCEQ DOCKET NO. 2014-0439-UCR

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PUBLIC UTILITY COMMISSION
FILING CLERK

PETITION OF TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 12
APPEALING CHANGE OF WHOLESALE
WATER RATES IMPLEMENTED BY WEST
TRAVIS COUNTY PUBLIC UTILITY
AGENCY, CITY OF BEE CAVE, TEXAS
HAYS COUNTY, TEXAS AND WEST
TRAVIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 5

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12'S
RESPONSES REQUEST FOR DISCLOSURES**

COMES NOW Travis County Municipal Utility District No. 12 ("TCMUD 12 or District") and timely submits these Responses to Request for Disclosures in accordance with SOAH Order No. 1.

Respectfully Submitted,

SMITH TROSTLE & HUERTA LLP

4401 Westgate Blvd., Ste. 330

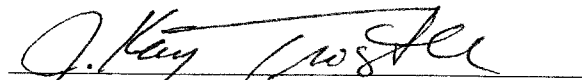
Austin, Texas 78745

(512) 494-9500 (Telephone)

(512) 494-9505 (Facsimile)

ktrostle@smithtrostle.com

By:



J. Kay Trostle

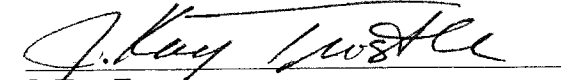
State Bar No. 20238300

ATTORNEYS FOR TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 12

19

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of August, 2014, a true and correct copy of the foregoing document is being served as indicated to the following parties of record.


J. Kay Trostle

West Travis County Public Utility Agency

Via email

David Klein
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Ave, Ste. 1900
Austin, Texas 78701
512-322-5818
512-472-0532 Fax
dklein@lglawfirm.com

TCEQ Executive Director

Via email

Ron Olson & Jessica Gray, MC-173
Texas Commission on Environmental Quality
Environmental Law Division
12100 Park 35 Circle, Bldg. A. 3rd Floor
Austin, TX 78753
512-239-0600
512-239-0606 Fax
ron.olson@tceq.texas.gov

TCEQ Public Interest Counsel

Via Email

Rudy Calderon, MC-103
Texas Commission on Environmental Quality
12100 Park 35 Circle, Bldg. F. 4th Floor
Austin, TX 78753
512-239-3144
512-239-6377 Fax
rudy.calderon@tceq.texas.gov

West Travis County MUD No. 5

Randall Wilburn
3000 South IH 35, Suite 150
Austin, Texas 78704
512-535-1661
512-535-1678 Fax
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Via Email

The City of Bee Cave, Texas

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6618 Sitio Del Rio Blvd., Bldg E, Ste. 102
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Via Email

Hays County, Texas

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kennedylaw@gmail.com

Via Email

REQUEST FOR DISCLOSURES

Pursuant to TEXAS RULE OF CIVIL PROCEDURE 194, and SOAH Order No. 1, TCMUD 12 makes the disclosures of the information or material described in TEXAS RULE OF CIVIL PROCEDURE 194.2 on August 15, 2014, as follows:

(a) the correct names of the parties to the contested case hearing;

Response:

As indicated in SOAH Order No. 1, the following are the parties to this case:

Travis County Municipal Utility District No. 12

West Travis County Public Utility Agency

The City of Bee Cave, Texas

Hays County, Texas

West Travis County Municipal Utility District No. 5

TCEQ Executive Director

TCEQ, Office of Public Interest Counsel

(b) the name, address, and telephone number of any potential parties;

Response:

TCMUD 12 does not know of any other entities that may potentially be parties to this contested case that are not already named in response to request (a) above.

(c) the legal theories and, in general, the factual bases of the responding party's claims or defenses (the responding party need not marshal all evidence that may be offered at trial);

Response:

As reflected in SOAH Order Nos. 1 and 2, this proceeding is to determine if the PUA's protested rates charged to TCMUD 12 pursuant to the Wholesale Water Services Agreement adversely affect the public interest. TCMUD 12, as the petitioner, will present evidence that the wholesale water rates that the PUA began charging January 1, 2014 are adverse to the public interest, under at least one of the criteria listed in 30 TAC § 291.133(a). TCMUD 12 has stated the general factual bases for this appeal in its Petition, which is incorporated herein by reference.

TCMUD 12 claims that the 2014 rate change evidences the PUA's abuse of monopoly power in its provision of water service to TCMUD 12. The factors that demonstrate the PUA has abused its monopoly power include, but are not limited to, the PUA's change in the computation of the revenue requirement or rate from one methodology to another; the PUA's failure to reasonably demonstrate the changed conditions that are the basis for the change in rates (including rate methodology); and the PUA's disparately greater bargaining power, including limitations on

TCMUD 12's alternative means and costs, and problems of obtaining alternative water service. Other factors may be identified based upon discovery responses from the PUA, Bee Cave, Hays County, and/or WTCMUD 5, and this response will be supplemented in accordance with TRCP 193.5.

(d) the amount and any method of calculating economic damages;

Response:

Not applicable.

(e) the name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case;

Response:

Joseph A. DiQuinzio, Jr. –General Manager, TCMUD 12.

602 W. 9th Street, Austin, TX 78701 512-478-0017

Mr. DiQuinzio has knowledge of the operations of TCMUD 12, including the services provided pursuant to contracts by LCRA and PUA.

Jay Joyce – Consultant Rate Analyst for TCMUD 12

325 N. St. Paul St., Suite 2100, Dallas, TX 75201, Phone – 214-432-2500

As TCMUD 12's rate analyst, Mr. Joyce has participated in meetings with PUA and is familiar with the actions taken by PUA concerning the wholesale rates charged to TCMUD 12.

WTCPUA Board of Directors: Larry Fox, President; Michael Murphy, Vice President; Ray Whisenant, Secretary/Treasurer; Bill Goodwin, Director, Scott Roberts, Director

12117 Bee Cave Road, Bldg. 3, Suite 120, Bee Cave, Texas 78738

All were members of the PUA's Board of Directors and participated in the PUA Board decision on November 21, 2013 to change the wholesale rates effective January 1, 2014.

Nelissa Heddin, Water Resources Management, LLC

8705 Shoal Creek Blvd., Suite 101, Austin, Texas 78756, Phone: 512-420-9841

Ms. Heddin is the rate analyst for WTCPUA

Donald G. Rauschuber, P.E., General Manager, WTCPUA

12117 Bee Cave Road, Bldg. 3, Suite 120, Bee Cave, Texas 78738, Phone: 512-263-0100

Mr. Rauschuber is the general manager of the WTCPUA.

(f) for any testifying expert:

(i) the expert's name, address, and telephone number;

Response:

Jay Joyce, President, Expergy, 325 N. St. Paul St., Suite 2100, Dallas, TX 75201, Phone – 214-432-2500

Jay Zarnikau, PhD, Economist and President, Frontier Associates, 1515 S. Capital of Texas Highway, Suite 110, Austin, Texas 78746, Phone – 512-372-8778

(ii) the subject matter on which the expert will testify;

Response:

Mr. Joyce will testify concerning the PUA's changes to its wholesale rates, including changes to the methodology, and other issues associated with the public interest inquiry.

Dr. Zarnikau will testify about the PUA's monopoly power and abuse of monopoly power.

(iii) the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information.

Response:

At this time none of TCMUD 12's have developed an opinion regarding this matter, but in accordance with the scheduling order and TCEQ Rule § 80.151(a), the response to this request will be provided at the time TCMUD 12 prefiles the testimony of its experts.

(iv) if the expert is retained by, employed by, or otherwise subject to the control of the responding party:

(a) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony: and

Response:

TCMUD 12's experts will rely on documents and discovery responses which will be identified at the time TCMUD 12 prefiles the testimony of its experts, in accordance with the scheduling order and TCEQ Rule § 80.151(a).

(b) the expert's current resume and bibliography;

Response:

See attached resume, publications and previous testimonies before regulatory agencies of Dr. Zarnikau and Mr. Joyce's Resume.

(g) any indemnifying and insuring agreements described in Rule 192.3(f);

Response:

Not applicable.

- (h) **any settlement agreements described in Rule 192.3(g); and**
Response:
Not applicable
- (i) **any witness statements described in Rule 192.3 (h).**
Response:
Not applicable.
- (l) **the name, address and telephone number of any person who may be designated as a responsible third party.**
Response:
Not applicable.



Jay Zarnikau

Jay Zarnikau, PhD
President, Frontier Associates LLC
1515 S. Capital of Texas Hwy., Suite 110
Austin, TX 78746
Phone: (512) 372-8778
jayz@frontierassoc.com

PROFESSIONAL EXPERIENCE

1999- President, Frontier Associates, Austin, Texas

Responsible for providing assistance in the design and implementation of energy efficiency programs, utility resource planning, electricity pricing, rate analysis/design, program evaluation, demand forecasting, and energy policy. Also assists industrial and commercial energy consumers in rate negotiations and energy procurement activities.

1992-1999 Vice President, Planergy, Austin, Texas

Responsible for providing assistance in the design and implementation of energy efficiency programs, and providing consulting assistance in the areas of utility resource planning, electricity pricing, program evaluation, demand forecasting, and energy policy.

1991-1993 Manager of Energy Strategies Research Program, The University of Texas at Austin Center for Energy Studies, Austin, Texas

Held faculty-level research position.

Responsible for the oversight of research projects in the areas of utility resource planning, regulation, electricity pricing, and policy analysis, including assessments of the potential for energy efficiency savings in Texas.

Program Manager for EPRI-sponsored effort to develop a new integrated resource planning framework and model.

1983-1991 Director of Electric Utility Regulation (from 1988 to 1991), Economist (1983 to 1988) Public Utility Commission of Texas, Austin, Texas

Supervised a professional staff of over fifty accountants, economists, and engineers responsible for analyzing regulatory and technical issues and providing recommendations to the Commission. Prepared and defended testimony in over twenty proceedings.



Jay Zarnikau

1982-1983 Research Associate, Bureau of Business Research, University of Texas at Austin, Austin, Texas

Assisted in maintenance of statewide economic-demographic forecasting model, prepared projections for state legislature and state agencies, and conducted studies to determine the value of various mineral resources in Texas.

EDUCATION

Ph.D. (1990) and M.A. (1983) in Economics, University of Texas at Austin. Fields completed in Econometrics, Resource Economics, and Micro Modeling

B.S. in Business Administration and Economics, State University of New York, Oswego, New York, May 1981

McGill University, Montreal, Quebec, 1979-1980

OTHER ACTIVITIES

Adjunct Lecturer and Visiting Professor, University of Texas LBJ School of Public Affairs and College of Natural Sciences Division of Statistics. Teaches courses in Applied Regression Analysis and Introduction of Quantitative Analysis. Since 2003

Board of Editors, ISRN Economics journal and Frontiers in Energy journal.

ERCOT Working Group on Demand Side Resources, Founder and Co-Chair (2001)

Board Member and Vice President for Publications, Association of Energy Services Professionals, 2001-2007

Retail Energy Aggregators of Texas, Director, 2001-2003

State of Texas Energy Policy Partnership, Member, 1992

National Association of Regulatory Utility Commissioners Staff Subcommittee on Wheeling and Transmission, Member, 1990

Member of American Economic Association, International Association for Energy Economics, and American Statistical Association.

Reviewer for International Energy Review; ACEEE Summer Study; IEEE Transactions on Power Systems; Energy Economics; Energy Policy; Energy, Power Engineering Society; Energy Exploration and Exploitation; International Journal of Electrical Power and Energy Systems; Energy Efficiency; International Journal of Psychology; British Journal of Economics, Management & Trade; Journal of Scientific Research and Reports; British Journal of Applied Science and Technology; and The Energy Journal

Jay Zarnikau
PUBLICATIONS

Refereed Journals:

- “Did the introduction of a nodal market structure impact wholesale electricity prices in the Texas (ERCOT) market?” *Journal of Regulatory Economics*. Vol. 45(2), 2014. With C.K. Woo and Ross Baldick.
- “The Identification of Peak Period Impacts When a TMY Weather File is Used in Building Energy Use Simulation.” *Open Journal of Energy Efficiency*. Vol. 3, 2014. With Shuangshuang Zhu.
- “The Impact of Wind Generation on Wholesale Electricity Prices in the Hydro-Rich Pacific Northwest.” *IEEE Transactions on Power Systems*, 2013. With C.K. Woo, Ira Horowitz, Jonathan Kadish, and Jianhui Wang.
- “The response of large industrial energy consumers to four coincident peak (4CP) transmission charges in the Texas (ERCOT) market.” *Utilities Policy*. 2013. With Dan Thal.
- “Transparency of Retail Energy Pricing: Evidence from the U.S. Natural Gas Industry.” *Managerial and Decision Economics*. 2012. With C.K. Woo, Ira Horowitz, and Alice Shiu.
- “The Many Factors that Affect the Success of Regulatory Mechanisms Designed to Foster Energy Efficiency,” *Energy Efficiency*. Vol. 5, No. 3, 2012, pp. 393-410.
- “Blowing in the Wind: Vanishing Payoffs of a Tolling Agreement for Natural Gas-Fired Generation of Electricity in Texas,” *The Energy Journal*, 2012, Vol. 33(1), with C.K. Woo, Ira Horowitz, Brian Horii, and Ren Orans.
- “Wind Generation and Zonal-Market Price Divergence: Evidence from Texas,” *Energy Policy*, Vol. 39(7), 2011, pp. 3928-3938. With C.K. Woo, J. Moore, and I. Horowitz.
- “Successful Renewable Energy Development in a Competitive Electricity Market: A Texas Case Study,” *Energy Policy*, Vol. 39(7), 2011, pp. 3906-3913.
- “System Energy Assessment (SEA), Defining a Standard Measure of EROI for Energy Businesses as Whole Systems.” *Sustainability*. Vol. 3(10), 2011, pp. 1908-1943. With Phil Henshaw and Carey King.
- “Exact Welfare Effect for Double-Log Demand with Partial Adjustment”, *Empirical Economics*, Springer, Vol. 42(1), 2010, pp. 171-180. With C.K. Woo and Eli Kollman.
- “Demand Participation in the Restructured Electric Reliability Council of Texas Market,” *Energy -- the International Journal*. 2009.

- "Did the Expiration of Retail Price Caps Affect Competitive Electricity Prices in Texas?," *Energy Policy*, Vol. 37(5), pp. 1713-1717, 2009; with Linhong Kang.
- "Aggregate Consumer Response to Wholesale Prices in the Restructured Texas Electricity Market," *Energy Economics*. Vol. 30(4), pp. 1798-1808, 2008. With Ian Hallett.
- "Industrial Energy Consumer Response to Wholesale Prices in the Restructured Texas Electricity Market," with Greg Landreth, Ian Hallett, and Subal Kumbhakar. *Energy -- the International Journal*. 2007.
- "Trends in Prices to Commercial Energy Consumers in the Competitive Texas Electricity Market," *Energy Policy*. Vol. 35(8), 2007, pp. 4332-4339. With Marilyn Fox and Paul Smolen.
- "Testing Functional Forms in Energy Modeling: An Application of the Bayesian Approach," *Energy Economics*, Vol. 54(2), 2007, pp. 158-166. With Ni Xiao and Paul Damien.
- "Has Electric Utility Restructuring Led to Lower Electricity Prices for Residential Consumers in Texas?" *Energy Policy*, Vol. 34(15), pp. 2191-2200. With Doug Whitworth.
- "A Review of Efforts to Restructure Texas' Electricity Market," *Energy Policy*, Vol. 33(1), 2005, pp. 15-25.
- "Consumer Demand for 'Green Power' and Energy Efficiency," *Energy Policy*, Vol. 31(15), 2003, pp. 1661-1672.
- "Functional Forms in Energy Demand Modeling," *Energy Economics*, Vol. 25(6), pp. 603-613, 2003.
- "Defining Total Use in Econometric Studies, Does the Aggregation Approach Matter?," *Energy Economics*, Vol. 21(5), 1999, pp. 485-492.
- "Will Tomorrow's Energy Efficiency Indices Prove Useful in Economic Studies?," *The Energy Journal*, Vol. 20(3), 1999.
- "A Re-examination of the Causal Relationship between Energy Consumption and GDP," *Journal of Energy and Development*, 1996.
- "The Evolution of the Cogeneration Market in Texas," *Energy Policy*, Vol. 24(1), 1996, pp. 67-79.
- "Can Different Energy Resources be Added or Compared?," *Energy - The International Journal*, 1995, Vol. 21, No. 6; with Philip Schmidt and Sid Guermouche.

"Spot Market Pricing of Water Resources and Efficient Means of Rationing Water During Scarcity." *Resource and Energy Economics*. Vol. 16(3), 1994, pp. 189-210.

"Advanced Pricing in Electrical Systems: Theory," *IEEE Trans. on Power Systems*, 1995; with Martin Baughman and Shams Siddiqi.

"Advanced Pricing in Electrical Systems: Applications," *IEEE Trans. on Power Systems*, 1995; with Martin Baughman and Shams Siddiqi.

"Integrating Transmission into IRP: Theory," *IEEE Trans. on Power Systems*, 1998; with Martin Baughman and Shams Siddiqi.

"Integrating Transmission into IRP: Applications," *IEEE Trans. on Power Systems*, 1998; with Martin Baughman and Shams Siddiqi.

"Customer Responsiveness to Real-Time Pricing of Electricity," *The Energy Journal*, December 1990, Vol. 11, No. 4.

"Spot Market Pricing of Electricity," *Forum for Applied Research and Public Policy*, Winter 1990, Vol. 5, No. 4; with Martin Baughman and George Mentrup.

Under Review:

"The Estimated Impact on Real-Time Electricity Market Prices in California of the 2013 Shutdown of the San Onofre Nuclear Plant." With C.K. Woo, Tony Ho, Arne Olson, Ryan Jones, Michele Chait, Ira Horowitz, and Jianhui Wang.

Non-Refereed Journals and Widely-Accessible Proceedings:

"Three Simple Steps to Clip the Peak in the Texas (ERCOT) Electricity Market. USAEE Working Paper No. 13-143.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2334001

"Will the SIEPAC Transmission Project Lead to a Vibrant Electricity Market in Central America?," *Energy Forum*, 4th Quarter 2013. With Ian Partridge, John Dinning, and Daniel Robles.

"Texas Electricity Market: Best Gets Better," in *Evolution of Global Electricity Markets*, ed. Fereidoon Sioshansi, Elsevier. 2013. With Parviz Adib and Ross Baldick.

"Getting to Zero: Green Building and Net Zero Energy Homes," in *Smart Living in the Coming Age of Scarcity*, edited by F. P. Sioshansi, Elsevier, 2010. With Meredith Gray.

- "Defining a Standard Measure for Whole System EROI, Combining Economic Top-Down and LCA Bottom-Up Accounting," *Proceedings of Energy Sustainability 2010*, American Society of Mechanical Engineers, May 2010, Phoenix. With Carey King and Phil Henshaw.
- "Will Electricity Market Reform Likely Reduce Retail Rates?," *The Electricity Journal*, Vol. 22(2), 2009, pp. 40-45. With C.K. Woo.
- Barriers and Policy Solutions to Energy Efficiency as a Carbon Emissions Reduction Strategy," in *Electricity Generation in a Carbon-Constrained World*, edited by F. P. Sioshansi, Elsevier, 2009. With Bill Prindle and Erica Allis.
- "Integrating Demand Response into Restructured Wholesale Markets," in *Competitive Electricity Markets: Design, Implementation, and Performance*, edited by F. P. Sioshansi, Elsevier, 2008.
- "The Quest for Competitive Electricity Markets," *LBJ Journal of Public Affairs*, 2008.
- "Texas: The Most Robust Restructured Electricity Market in North America," in *Electricity Market Reform: An International Perspective*, Ed. F. P. Sioshansi and Wolfgang Pfaffenberger, Elsevier, 2007.
- "Changing Installation Practices of A/C Installers – Three Years of Results," *ACEEE Summer Study on Energy Efficiency in Building*, 2006. With Mike Stockard and Phil Audet.
- "Using Demand Response Programs to Provide Operating Reserves in Wholesale Power Markets: A Case Study of the ERCOT Market," *US Energy Association's Dialogue*, 2006.
- "Energy Efficient Windows in the Southern Residential Windows Market," *ACEEE Summer Study Proceedings*, with Alison Tribble, Kate Offringa, Bill Prindle, Dariush Arasteh, Arlene Stewart, and Ken Nittler. 2002.
- "Agriculture: An Often-Overlooked Opportunity for Energy Conservation," *Strategic Planning for Energy and the Environment*, with Alex Lee, 1997.
- "Energy Efficiency Opportunities in the Industrial Sector," *Energy Engineering*, Vol. 93, No. 3, 1996; with Alex Lee.
- "Taking Advantage of Real-Time Pricing Programs to Reduce Energy Costs in Manufacturing," *ACEEE Summer Study on Energy Efficiency in Industry Proceedings*, August 1997.
- "Opportunities for Energy Efficiency in the Texas Industrial Sector," *ACEEE Summer Study on Energy Efficiency in Industry Proceedings*, August 1995; contributor.
- "Has Texas Become a Net Importer of Energy Resources?" *Texas Business Review*, 1997.

“Plugging into the Texas Electricity Market: Avoiding the Mistakes of California?” *Texas Business Review*, 2001.

“Rewired for Competition: The Restructuring of Electricity Markets in Texas?” *Texas Business Review*, 1999.

“Wheeling Nonutility Power: The Texas Experience” *The Electricity Journal*, Vol. 2(7), pp. 32-41, 1989. With Bill Moore and Martin Baughman.

Previous Testimony Before Regulatory Commissions

California PUC Rulemaking 13-09-011 to Enhance the Role of Demand Response.

Compared the attributes of different types of demand response. On behalf of Pacific Gas and Electric.

Arkansas PSC Docket No. 13-126-TF: In the Matter of a Request by Arkansas Electric Cooperative Corporation to Establish a Rider for the Collection of Certain Costs Related to the Transmission of Electricity by Other and TRO-Market Administration, Monitoring, and Compliance Services Costs. Reviewed treatment of interruptible discount in rate rider. On behalf of Nucor Steel.

Arizona Corporation Commission Docket No. E-04204A-12-0504: In the Matter of the Application of UNS Electric, Inc. for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of the Properties of UNS Electric, Inc., Devoted to its Operations Throughout the State of Arizona and Relative Approvals. Rate Design. On behalf of Nucor Steel.

State Office of Administrative Hearings (SOAH) Docket No. 473-09-5470 and Public Utility Commission of Texas (PUCT) Docket No. 36633: Petition of CPS Energy for Enforcement Against AT&T Texas and Time Warner Cable Regarding Poll Attachments. Analysis of statistical issues. On behalf of Time Warner Cable.

Arkansas PSC Docket No. 12-053-U: In the Matter of the Application of Arkansas Electric Cooperative Corporation for Modification of Rates and Charges. Reviewed proposed interruptible credit riders in light of new state laws pertaining to the rate regulation of electric cooperatives. On behalf of Nucor Steel.

Arizona Corporation Commission Docket No. E-04100A-04-527: Application of Southwest Transmission Cooperative, Inc. for a Rate Increase. Provided cost allocation and rate design recommendations on behalf of the applicant.

Arkansas PSC Docket No. 09-071-U: In the Matter of the Application of Arkansas Electric Cooperative Corporation for Modification of Rates and Charges. Reviewed proposed interruptible credit riders in light of new state laws pertaining to the rate regulation of electric cooperatives. On behalf of Nucor Steel.

Virginia State Corporation Commission Case No. PUE-2007-00031 and PUE-2007-000033; Public Service Commission of West Virginia Case No. 07-0508-E-CN; and Pennsylvania PUC Docket No. A-110172, Application of Trans-Allegheny Interstate Line Company for A Certificate of Convenience and Necessity to Construct a Transmission Line. Examined the feasibility of using demand-side management as an alternative to the proposed line. Testimony on behalf of the applicant.

PUCT Docket No. 31540: Proceeding to Consider Protocols to Implement a Nodal Market in the Electric Reliability Council of Texas Pursuant to PUC Subst. R. 25.501. Testimony before the PUCT on behalf of Nucor Steel and Chaparral Steel on demand side issues.

Public Service Commission of South Carolina, Docket No. 2005-1-E: Progress Energy Carolinas, Inc. Annual Review of Base Rates for Fuel Costs. Reviewed the utility's fuel costs and rates on behalf of a large industrial customer of the utility.

Railroad Commission of Texas, Docket No. 9400: Application of TXU Gas Company for a Rate Increase. Provided cost allocation and rate design testimony on behalf of a group of cities. Also provided testimony in a district court to support a Writ of Mandamus.

U.S. Bankruptcy Court, Southern District, In re. Texas Commercial Energy, LLC, Case No. 03-20366-C-11. Testified in support of a claim.

Public Utility Commission of Texas (PUCT) Docket No. 23950: Petition of Reliant Energy to Establish Price to Beat Fuel Factor. Presented (on the utility's behalf) a forecast of the Company's future sales of electricity.

PUCT Docket No. 22537: Application of Reliant Energy HL&P to Implement Wholesale Power Service – General Land Office Rate Schedule. Testified in support of tariff approval.

PUCT Docket No. 22355: Application of Reliant Energy HL&P for Approval of Unbundled Cost of Service Rate. Examined competitive opportunities that might be available to commercial and residential customers under various parties' rate design proposals.

PUCT Docket No. 22349: Application of Texas-New Mexico Power Company for Approval of Unbundled Cost of Service Rate. Requested (on behalf of the utility) funding for energy efficiency programs and system benefit fund programs.

PUCT Docket No. 21527: Application of TXU Electric Company for Financing Order to Securitize Regulatory Assets. Evaluated application on behalf of Nucor Steel.

PUCT Docket No. 17942: Application for Approval of Time-of-Use Rate Options for TU Electric Company. Analyzed utility proposal on behalf of Nucor Steel Company.

PUCT SOAH Docket No. 473-96-0333: Application of TU Electric Company for Real-Time Pricing Proposal in Compliance with the Commission's Order in Docket No. 14570. Analyzed the utility's filing on behalf of Nucor Steel Company.

PUCT Docket No. 9491: Texas-New Mexico Power Company rate case. Described applicable prudence standards and explored purchased power, cogeneration, and conservation as alternatives to the completion of the TNP One power plant project. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6992 Remand: Texas-New Mexico Power Company power plant certification case. Projected the costs of standby, wheeling, purchased power and cogeneration over a forty-year horizon, and explored purchased power, cogeneration, and conservation as alternatives to the completion of the TNP One power plant project. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 9300: TU Electric rate case. Recommended changes to proposed tariffs for interruptible service and explored other rate design and system planning issues. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 8425: Houston Lighting and Power Company rate case. Analyzed proposed tariffs for interruptible service, standby service, economic development rates and wheeling services, and recommended alternative rates and calculation methodologies. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 8422: Rita Blanca Cooperative tariff application. Proposed some modifications to the design of a proposed economic development tariff. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 8363: El Paso Electric Company rate case. Provided recommendations regarding future generation mix and total fuels expenses. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 7460: El Paso Electric Company rate case. Reviewed the demand forecasts upon which the utility relied in its decision to participate in the Palo Verde nuclear project. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 7195/6755: Gulf States Utilities Company rate case. Reviewed the demand forecasts upon which the utility relied in its decision to initiate the River Bend nuclear project. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6992: Texas-New Mexico Power Company power plant certification case. Projected the availability of purchased power and confirmed its viability as an alternative to the proposed TNP One power plant. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6184: Economic Viability for South Texas Unit 2. Analyzed the capabilities of various resource planning models to assist in selecting an appropriate means of determining the reasonableness of completing a nuclear power plant construction project. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 8191: Cherokee County Electric Cooperative rate case. Reviewed adjustments to test-year sales, demand, and numbers of customers data. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6375: Central Power and Light Company rate case. Reviewed adjustments to test-year sales, demand, and numbers of customers data. Critiqued the utility's long-term load forecast. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6105: Central Power and Light Company Avoided Cost calculation. Recommended rejection of the utility's long-term load forecast for the purpose of calculating long-run avoided costs. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6064: Houston Lighting and Power Company Avoided Cost calculation. Reviewed the utility's demand projections. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 5994: Inquiry into the rates paid by Houston Lighting and Power Company to Qualifying Facilities. Projected future demand for electricity on the utility system and the need for firm cogeneration capacity. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 8015: Amendment to TU Electric's certificate for the Comanche Peak nuclear plant. Reviewed the utility's future demand and capacity needs. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 6526: TU Electric Company power plant certificate case. Reviewed the utility's demand projections. Analyzed the utility's filing on behalf of PUCT Staff.

PUCT Docket No. 5568: Texas-New Mexico Power Company rate case. Reviewed adjustments to test-year sales, demand, and number of customers data, and miscellaneous operations and maintenance expenses. Analyzed the utility's filing on behalf of PUCT Staff.

JAY JOYCE

President

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Experience:

Water and Wastewater Utility Consulting

- Mr. Joyce has directed engagements associated with the following water, wastewater, and steam production utilities

Cost of Service Studies/Rate Studies

Aqua Texas (water & wastewater)
Chisholm Trail Special Utility District (water)
City of Arlington (wastewater)
City of Austin (water and wastewater)
City of Kilgore (water)
City of Knollwood (water and wastewater)
City of Lewisville (water and wastewater)
City of Mesquite (water and wastewater)
City of Midlothian (water)
City of North Richland Hills (water and wastewater)
City of Paris (water and wastewater)
City of Pflugerville (water and wastewater)
City of Rollingwood (water and wastewater)
City of Round Rock (water and wastewater)
City of Rowlett (water and wastewater)
City of Waco (water)
City of West Lake Hills (wastewater)
Cottonwood Creek MUD No. 1 (water and wastewater)
Crosby Municipal Utility District (water and wastewater)
Culleoka Water Supply Corporation (water)
Dallas Water Utilities (water and wastewater)
Fort Worth Water Department (water)
Guam Water Works (water and wastewater)
Lakeside Utilities, Inc (water and wastewater)
Lakeway Municipal Utility District (water and wastewater)
Lower Colorado River Authority (wastewater)
Metro H2O (water)
Monarch Utilities (water)
Nashville Metro Water Services (wastewater)
Nashville Thermal Transfer Corporation (steam)
Northtown Municipal Utility District (water and wastewater)
Paloma Lake MUD Nos. 1 and 2 (water and wastewater)
Paseo del Este Municipal Utility District No. 1 (water and wastewater)
Rockett Special Utility District (water)
Titus County Fresh Water Supply District No. 1 (water)
Town of Flower Mound (water)
Travis County Municipal Utility District No. 2 (water and wastewater)
Travis County Municipal Utility District No. 4 (water and wastewater)
Travis County MUD Nos. 11, 12, and 13 (water and wastewater)
Travis County Municipal Utility District No. 14 (wastewater)



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Water and Wastewater Utility Consulting (continued)

Trinity River Authority (water)
Trinity Water Reserve, Inc. d/b/a Devers Canal System (water)
United Irrigation District of Hidalgo County (water)
West Travis County Public Utility Agency (water)
Wilbarger Creek MUD No. 1 (water and wastewater)
Windermere Utility Company (wastewater)

Management Audits

Brazos River Authority
City of Houston Public Works & Engineering
City of New Orleans
Dallas Water Utilities
Trinity River Authority

Electric and Gas Utility Consulting

- Mr. Joyce has directed engagements associated with the following electric and gas utilities:

American Electric Power – Appalachian Power Company
American Electric Power – Public Service Company of Oklahoma
American Electric Power – Texas Central Company
American Electric Power – Texas North Company
American Electric Power – Wheeling Power Company
Arkansas-Oklahoma Gas Company
Atlanta Gas Light
Atmos Energy
CenterPoint Energy
City of Charlottesville Gas Utility
Colorado Public Service Company
CoServ
Denton County Electric Cooperative
Detroit Edison
Dominion Virginia Electric Power Company
El Paso Electric Company
Elizabethtown Gas
General Public Utilities
Houston Lighting & Power Company
Illinois Power Company
Kansas City Power & Light Company
Lone Star Gas Company
MCN Corporation
Mt Carmel Public Utilities
New Century Energies
NewPower
Northern States Power
Oncor Electric Delivery Company
Pedernales Electric Cooperative
Puget Sound Power & Light
San Diego Gas & Electric
Southern California Gas
Southern Union Gas Company

Southwest Power Pool
 Southwest Public Service Company
 Southwestern Bell Telephone Company
 Texas-New Mexico Power Company
 Tucson Electric Power
 TXU Electric Delivery
 TXU Energy Retail
 TXU Gas Distribution
 TXU Lone Star Pipeline
 Vectren Energy Delivery of Ohio
 Washington Natural Gas
 Western Resources
 Wisconsin Electric Company

Selected Engagement Summaries:

- Directed the valuation of Mt Carmel Public Utilities, a small investor-owned electric and gas company. The scope of the engagement included ratio analyses for comparable electric utilities, the evaluation of financial performances, analysis of strategic characteristics affecting value and regulatory environment analysis.
- Directed the valuation of CoServ's electric utility business primarily relying on a discounted cash flow analysis, and supported by per-meter analyses of market comparables. A range of overall values was developed for various growth scenarios
- Conducted settlement negotiations on behalf of Lakeside Utilities, Inc. for the water and wastewater rate increase request before the TNRCC. Issues included valuation of plant-in-service, return, federal income tax methodology and working capital allowance.
- Directed the City of Pflugerville's valuation of the Windermere Utility Company's net assets relating to a potential purchase of the assets. Extensive research concentrated on the utility's contributed capital and corresponding obligations to provide current and future water service
- Supervised a cost segregation study on behalf of Titus County Fresh Water Supply District No. 1 relating to the planned purchase of water rights in a reservoir owned and operated by Franklin County Water District. The study identified the reservoir expenses unrelated to water supply for exclusion from the cost sharing mechanism contemplated in the proposed agreement.
- Directed the litigation efforts for the City of Waco, Texas pertaining to a Texas Natural Resources Conservation Commission appeal of the water rates charged by Waco to a wholesale customer. Prepared expert testimony, directed cross-examination of witnesses, and participated in extensive negotiations and mediation
- Participated in litigation assistance for the proposed merger of Southwestern Public Service Company and Public Service Company of Colorado. Activities included development of rebuttal testimony and assistance with discovery requests before the Texas, Colorado and New Mexico regulatory commissions negotiations and mediation
- Filed expert testimony on the appropriate ratemaking treatment of \$89 million in Houston Lighting & Power Company restructuring costs. Participated in all

- aspects of the case before the Public Utility Commission of Texas ("PUCOT"), including discovery, analyses of plant-in-service (post-test-year adjustments), labor costs and employee benefits; preparation of expert witness testimony; and assistance with settlement negotiations
- Filed expert testimony on Texas-New Mexico Power Company regulatory commission expenses before the PUCOT. Conducted prudence reviews of the construction of generating facilities at TNP One (Units 1 and 2). Directed the engagements, coordinating the efforts of in-house consultants, outside consultants, attorneys and client representatives
- Directed settlement negotiations during the Denton County Electric Cooperative rate proceeding before the PUCOT. Managed the preparation of expert testimony encompassing financial integrity, kWh sales forecasts and treatment of G&T credits
- Directed the analysis of a potential merger of Washington Natural Gas Company with Puget Sound Power & Light. Activities included identification of available operational cost savings, financial modeling; projection of future combined financial operations, development of regulatory testimony; and litigation assistance on regulatory issues, deposition preparation and discovery questions for approval at the Washington Utilities and Transportation Commission
- Assisted Tucson Electric Power in quantifying "stranded costs" in preparation for a regulatory filing at the Arizona Public Service Commission. In connection with this filing, the company required extensive assistance with the management of the development of the stranded cost quantification and the development of the resultant effect on revenue requirements. Significant issues included the treatment of regulatory assets and the potential reclamation costs at the Four Corners Generating Facility
- Managed the development of a cash working capital analysis (lead/lag study) for TXU Electric Company. The project incorporated an in-depth review of company records to establish the revenue recovery/cost payment patterns reflected by the electric system operations and provided the material required for the potential preparation of rate filing exhibits and testimony consistent with the rate filing requirements adopted by the Public Utility Commission of Texas
- Testified in the wastewater rate dispute between the City of Lewisville and the City of Highland Village before the Texas Natural Resource Conservation Commission ("TNRCC"). Conducted settlement negotiations and filed an affidavit on rate calculations in the subsequent TNRCC proceeding. Assisted legal counsel in the district court case involving the same dispute. Directed the preparation of expert testimony in the TNRCC case and assisted with discovery, cross-examination, closing arguments, exceptions to proposal for decision and presentation before commissioners at the final order meeting.
- Directed settlement negotiations between Culleoka Water Supply Corporation and the City of Princeton for the water rate dispute before the TNRCC. The central issue involved the premium charged by the city on water purchased from North Texas Municipal Utility District.
- Directed the filing of expert witness testimony on behalf of United Irrigation District of Hidalgo County relating to the cost of providing water transportation services to Sharyland WSC for dispute at the TNRCC. Issues included valuation of water rights and contractual requirements

Previous employment experience:

Owner Alliance Consulting Group	2005 - 2008
Director Management Applications Consulting, Inc	2003 - 2005
Senior Manager, Financial Advisory Services Deloitte & Touche LLP	1995 - 2003
Manager Reed-Stowe & Co., Inc.	1989 - 1995
Real Property Appraiser Kaiser & Associates	1986 - 1988

Education:

Southern Methodist University, M.B.A.
University of Texas at Austin, B.B A., Finance

Professional:

American Water Works Association
Water Environment Federation
Institute of Management Consultants

Presentations:

Texas Water Conservation Association: "Conservation Rates"
Water Environment Federation of Texas: "Alternative Funding for Capital Improvements"
Texas Rural Water Association: "How to Determine Your Cost of Service"



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