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Jim Lazar Consulting Economist Microdesign Northwest

Jim Lazar is a consulting economist specializing in utility rate and resource analysis. In more than eventy appearances before regulatory bodies in the United States and abroad, he has provided expert assistance in the areas of revenue requirement, cost of capital, formation of new publicly owned utility systems, electric and gas utility integrated resource planning, cost of service and rate design, least cost and integrated resource planning, the appropriate regulatory treatment of excess capacity, subsidiary profits, and regulatory treatment of real estate transactions.

Technical Assistance: Jim Lazar has provided technical assistance to local, state, and federal public agencies, public interest groups, industry trade groups, and electric utilities. Expert testimony has been presented before the state regulatory commissions of Washington, Idaho, Montana, Hawaii, Illinois, Oregon, and Arizona, before the Federal Energy Regulatory Commission, Nuclear Regulatory Commission, Economic Regulatory Administration, Bonneville Power Administration, California Energy Commission, British Columbia Utilities Commission, and numerous local regulatory agencies. Internationally, Mr. Lazar has assisted clients in New Zealand, Ireland, Mozambique, Namibia, and Canada with utility rate and resource analysis.

Training: Jim Lazar has taught Energy Economics as a member of the faculty of Edmonds Community College, and previously served as a faculty member to the Western Consumer Utility Training Center in 1982. He was the lead author of a book on utility rate and resource issues, <u>The People's Power Guide</u>, published in 1982, and a handbook on electric utility cost of service analysis prepared for the Arizona Corporation Commission in 1993. He has presented papers at numerous conferences in the United States, as well as Canada, New Zealand, and Austria, and has taught courses utility resource and regulatory principles in The Philippines, India, China, Indonesia, Brazil, and for the regulatory Commission of Kyrgyzstan..

EDUCATION:

University of California, Los Angeles Shimer College, Mt. Carroll, Illinois Western Washington University, Bellingham B.A. 1974 Graduate work: Western Washington University University of Washington

(Economics) (Economics) (Public Administration)

EMPLOYMENT HISTORY

1979 to Present

Self-employed consulting economist, and community colle ge faculty: Transportation studies; Utility rate and resource analysis, conservation program design and evaluation, transportation system analysis. Associate with the Regulatory Assistance Project since 1999.

1983-84

Research Director, Northwest Energy Coalition: Directed studies on energy resource cost-effectiveness, including nuclear, conservation, building codes, and unconventional resources;

1982

Research Associate, Metropolitan Development Council of Tacoma, Washington: Research Director,

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1063 Capitol Way S. #202 Olympia, WA 98501 (360) 786-1822

PUBLICATIONS AND RESEARCH [Excluding Regulatory Proceeding Testimony]

Hawaii Energy Utility Regulation And Taxation, prepared for Hawaii Energy Policy Project in conjunction with J. Carl Freedman, 2003

<u>Power Market Restructuring Issues: Integrated Monopoly</u> → <u>Single Buyer</u> → <u>Wholesale Market</u>, prepared for the Electricity Control Board of Namibia in conjunction with Nexant Corporation / U.S. Agency for International Development, 2003

History, Current Status, and Future of the Residential Exchange, Snohomish Public Utility District, 2003

Tools Available to BPA and WAPA to Develop Renewables, Western States Renewable Energy Summit, Reno, Nevada, 2003

The Role of Regulation, and Starting and Staffing a Regulatory Commission, prepared for the Central Electricity Commission of Mozambique in conjunction with Nexant Corporation / U.S. Agency for International Development, 2003

Low-Income and Rural Electrification Assistance Programs for the Indonesia Social Electricity Development Fund, Prepared for the Institute of International Education / U.S. Agency for International Development, 2002

<u>Convergence: Electricity and Natural Gas in Washington State</u>, Prepared for Washington State Office of Trade and Economic Development, 2001 (One of seven authors)

Improving State Electricity Taxation, Prepared for Regulatory Assistance Project, 2001 (with Cheryl Harrington)

Lessons Learned from the California Energy Crisis: Prepared for Regulatory Assistance Project / Energy Foundation China Sustainable Energy Program, 2001

<u>Consumer Protection and Customer Service in Emerging Utility Industry Structures</u>: Prepared for Regulatory Assistance Project (Brazil) / USAID, 2000

Electric Cost of Service Analysis: Prepared for City of Burbank, California Public Service Department, 2000

Tariff Analysis in a Regulatory Regime: Prepared for Administrative Staff College of India / USAID, 1999

Energy Efficiency Promotion Policies: Prepared for Administrative Staff College of India / USAID, 1999

<u>Demand Side Management in a Regulatory Environment</u>: Prepared for Institute of Financial Management and Research (Madras, India) / USAID, 1999

Consumer Advocacy in a Restructured Electric Utility Industry: Prepared for Administrative Staff College of India / USAID, 1999

Private Energy Utilities and Bellevue's Options for the Future: Prepared for City of Bellevue, Washington, 1998

Energy Sector Regulation Principles and Practice: Prepared for Philippines Department of Energy / USAID, 1997

Electric Rate Unbundling for a Competitive Market: Prepared for Washington Water Power Company / Idaho PUC, 1997

Retail Wheeling Pilot Proposal, Puget Sound Power and Light Company, Office of the Attorney General, State of Washington

Conservco: An Option for Achieving Efficiency in a Competitive Utility Market Structure, Prepared for the Snohomish County

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Public Utility District, 1995

Making Integrated Resource Planning Better and Cheaper, British Columbia Energy Coalition, 1995

<u>Cost Elements and Study Organization For Embedded Cost of Service Analysis</u>, Briefing Paper to Arizona Corporation Commission, (Arizona Corporation Commission, July, 1992)

<u>Transmission and Distribution Cost Allocation in Embedded Cost of Service Analysis</u>, Briefing Paper to Arizona Corporation Commission, (Arizona Corporation Commission, July, 1992)

<u>Production Cost Allocation in Embedded Cost of Service Analysis</u>, Briefing Paper to Arizona Corporation Commission, (Arizona Corporation Commission, July, 1992)

<u>Utility Connection Charges and Credits:</u> Stepping Up the Rate of Energy Efficiency Implementation, (Second International Conference on Energy Consulting, Graz, Austria, 1991)

Electric Power Resource Evaluation for Improved Fish Migration, (Pacific States Marine Fisheries Commission, 1991)

Long-Term Financial Model Review: Prepared for Emerald People's Utility District, 1991

Unrecovered Costs of Serving New Residential Space Heat Loads, (Mason PUD #3, June, 1990)

Direct Use of Natural Gas for Residential Space and Water Heat Compared to Gas-Fired Electric Generation for Hydro-firming; Thermodynamic, Economic, and Environmental Impacts, (Association of Northwest Gas Utilities, 1990)

Model Energy Conservation and Power Planning Action Plan, (Northwest Conservation Act Coalition, 1990)

Ten Year Financial Plan Analysis for Startup, Oregon Trail Electric Cooperative, 1988

Impact of Operation of the Columbia Basin Irrigation Project on Northwest Electric Power Users, 1954-1986; (Natural Resources Defense Council, 1987)

WPPSS Preservation Costs and the BPA Residential and Small Farm Exchange (Mason County PUD, 1986)

WPPSS Nuclear Plants #1 and #3 in a Rapidly Changing Environment, (Snohomish County PUD, 1986)

WPPSS #1 and #3: Costs and Alternatives, (Northwest Conservation Act Coalition, 1984)

Do or Die: The Seabrook Nuclear Generating Station and the Public Service Company of New Hampshire, (Campaign for Ratepayer Rights, 1984)

Should Utility Conservation Efforts Continue During a Surplus, (Pacific Northwest Regional Economic Conference, 1984)

WPPSS Nuclear Plant #3: Where Now?, (Northwest Conservation Act Coalition, 1983)

<u>A Ratepayer Perspective on Avoided Cost Pricing Under PURPA Section 210.</u> (California Energy Commission, 1982)

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<u>The People's Power Guide: A Manual of Electric Utility Policies for Consumer Activists</u>, (People's Organization for Washington Energy Resources, 1982)

Model Conservation and Electric Power Plan for the Pacific Northwest, (Northwest Conservation Act Coalition, 1982)

<u>Electricity Market Decontrol through Windfall Profits Taxation and Competitive Power Supply Contracting</u>, (PNW Regional Economic Conference, 1982)

Northwest Electric Load Shaping for Fish Enhancement, (Romer Associates/National Marine Fisheries Service, 1981)

Conserving Electricity in the Pacific Northwest, (Pacific Northwest Regional Economic Conference, 1980)

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JIM LAZAR CONSULTING ECONOMIST RECENT CONSULTING CLIENTS [PARTIAL LISTING]

UTILITIES AND UTILITY ASSOCIATIONS

City of Burbank, California Emerald People's Utility District [Eugene, OR] Hawaiian Electric Company Mason County Public Utility District #3 [Shelton, WA] Salem Electric Cooperative [Salem, OR] Snohomish County Public Utility District [Everett, WA] Northwest Gas Association [Portland, OR]

PUBLIC AGENCIES

Arizona Corporation Commission City of Bellevue, Washington Environmental Protection Agency Hawaii Department of Commerce and Consumer Affairs Idaho Public Utilities Commission Mount Rainier National Park National Marine Fisheries Service Office of the Attorney General, Washington Pacific States Marine Fisheries Commission Research Corporation of the University of Hawaii Washington State Department of Community, Trade, and Economic Development Washington State Department of Wildlife Washington Utilities and Transportation Commission

NONPROFIT ENTITIES

Association for the Advancement of Sustainable Energy Policy (Canada) British Columbia Energy Coalition (Canada) Citizen's Utility Board, (Illinois) Columbia River Intertribal Fish Commission EnergyWatch (New Zealand) Institute of International Education Montana Electricity Buying Cooperative Natural Resources Defense Council Nez Perce Indian Nation Northwest Conservation Act Coalition Regulatory Assistance Project Squamish Indian Nation (Canada) Time to Respect Earth's Ecosystems (Canada) Yakima Indian Nation

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EXPERT TESTIMONY AND ENERGY/UTILITY RESEARCH BY JIM LAZAR

YEAR		ORG	FORUM CASE	# TOPIC/TITLE
1979	SKAG	NRC		Alternatives to Skagit Nuclear Plant
1979	PGN	OPUC	UF-3518	Review Increase Rate of Return
1979	PSD	WUTC	U-79-70	Insulation Stds, Conservation Loan Prog Industry
1979	PSD	NRC		Relocation of Skagit Plant
1979		WPPSS		Critique of WPPSS Bond Statements
1979		SENATE		"Summary Data on Petrol Supply Demand & Price"
1980	PSD	WUTC	U-80-10	Resource Alternatives, Error in Water Study Rate Study
1980	PSD	WUTC	U-78-05	Rate Analysis and Service Fees
1980	IPC	IPUC		Conservation Based Hook-up Charges
1981		GRAY		Review of PURPA Rate Making Standards
1981		SCL		"Giving Your Customers What They WantAnd Need"
1981	WPPSS			Senate Report: Total Costs WNP's 1 Through 5
1981	WWP	IPUC	U-1008-155	Review WNP & Skagit as Relates to WWP
1982	CEC	CEC	OII-2	Recommendations and Conclusion on PURPA
1982	CEC	CEC	OII-2	Ratepayer View on Avoided Cost (PURPA)
1982	WWP	WUTC	U-82-10	Review WWP Costs Study
1982	BPA	BPA		Low Density Discounts
1983	MTP	MPSC	83.9.67	Cost Effectiveness of Colstrip 3 to Ratepayer
1983	PPW	WUTC	U-83-57	Colstrip & PP&L Review Blk Hills Colstrip Cost Exhibit
1983	PSD	WUTC	U-83-54	Review Rate Design
1983	WPPSS		394	Draft Cost Effectiveness Study of WNP 2&3
1983	WPPSS			WNP3 Cost of Completion & Operation to NCAC
1983	WPPSS			"WNP 3, Where Now?"
1983	WWP	WUTC	U-83-26	Cost of Colstrip 4, WWP Rate of Return, AFUDC, Power Supply
Cost		TDUG	TT 1000 004	
1983	WWP	IPUC	U-1008-204	WNP3 Cost
1983 1984	WWP PSD	IPUC	U-1008-185	Review Colstrip 3&4 Costs, Rate of Return on WNP 3, Power Supply Costs CWIP
1984	PSD PSD	WUTC WUTC	U-84-27/44 U-84-61	Cwip Review Secondary Power Purchases & Sales
1984	PSD WPPSS		0-04-01	WNP 1&3 Cost Alternatives
1984	WFF55 WWP	WUTC	U-84-28	Power Supply Costs, Lobbying Costs, Kettle Falls Rates
1985	PGN	OPUC	UE-44	Rate Design For Residential Users
1985	WWP	IPUC	U-1008-204	WNP3 Cost Rebuttal
1985	WWP	WUTC	U-85-36	Cost of Service Analysis, Rebuttal to Schoenbeck
1986	AZP	ACC	U134585156	Cost of Service, Rate Design, Load/Resource Balance
1986	CGC	WUTC	U-86-100	Revenue Requirements, Cost of Service
1986	PGN	OPUC	UE-48	WPPSS Investments, Property Transfers
1986	PPW	WUTC	U-86-02	Skagit, Pebble Springs, Cost of Service, Rate Design
1986	PSD	WUTC	U-85-53	Conservation Program Cost of Service/Rate Design
1986	SNO	SNOPUD		WNP 1 & 3 In A Rapidly changing environment"
1986	WECO	WUTC	U-86-117	Cost of Service, Rate Design
1986	WPPSS			Power Cost of WNP 2
1986	WWP	IPUC	U-1008-204	Surrebuttal
1987	AZP	ACC	U-1345-85367	Review AZP Cost of Service & Rate Design
1987	PSD	WUTC	U-86-131	BPA Settlement Exchange Agreement
1987	PSD	WUTC	U-87-1262	ECAC
1987	NIGAS	ICC	87-0032	Cost of Service
1987	SALEM	SALEM		Cost of Service/Rate Design
1987	WDW	9TH	86-7704	Cost Effectiveness of Third AC Intertie
1988	PP&L	WUTC	U-87-1513	Residential Rate Design
1988	CWE	ICC	87-0427	Cost of Service/Rate Design
1988	WWP	WUTC	87-1532-T	Gas Transportation Rates
1988	WWP	WUTC	88-2380-T	Natural Gas General Rate Increase
1988	IP	ICC	87-0695	Cost of Service/Rate Design

1988	SALEM	SALEM		Large Industrial Rate Study
1988	WWP	WUTC	88-2363-P	Power Cost Adjustment
1988	PUGET	WUTC	88-2010-T	Energy Cost Adjustment
1989	MASON	MASON		Service Extension Policy Analysis
1989	PUGET	WUTC	81-41-RE	Energy Cost Adjustment Reopening
1989	PUGET	WUTC	89-2862-T	Energy Cost Adjustment
1989	PUGET	WUTC	89-2688-T	General Rate Increase - WPPSS #3 - Cost of Service/Rate Design
1989	WWP	WUTC	U-89-3105-T	Interstate Cost Allocation/Excess Capacity

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EXPERT TESTIMONY AND ENERGY/UTILITY RESEARCH BY JIM LAZAR ORG FORUM CASE # YEAR TOPIC/TITLE 1990 WWP WUTC UG-900190 General Rate Increase - Cost of Service/Rate Design 1990 IP ICC 90-0072 General Rate Increase - Cost of Service/Rate Design 1990 WECO WUTC UG-900210 Gas Transportation Rates 1991 PUGET WUTC UE-910689 Least Cost Planning Performance 1991 WPPSS MASON WNP 2 Revenues & Cost of Power 1991 WPPSS MASON WNP 1&3 Issues & Concerns 1991 PUGET WUTC UE-901183 Decoupling; Power Supply Cost Recovery 1991 GRANT FERC E-9569 Cost Impact of Fish Bypass Systems 1991 AZP ACC U-1345-90007 Cost of Service/Rate Design 1992 HECO HPUC 6998 Cost of Service/Rate Design 1992HELCOHPUC6999Cost of Service/Rate Design1992KEHPUC7003Cost of Service/Rate Design 1992 CGC WUTC UG-920062 Gas Tracker 1992 PSD WUTC UE-920630 Periodic Rate Adjustment Mechanism 1993 PSD WUTC UE-920499 Cost of Service / Rate Design 1993HECOHPUC7310Avoided Costs of Generation1993BPABPAWP-93Rate Design1994BCGBCUC IRPIntegrated Resource Pl Integrated Resource Planning / Decoupling 1994 WNG WUTC UG-931405 Gas Revenue Requirements 1995 BCEC BCUC Electric Utility Industry Structure 1995MECOHPUC94-0345Cost Allocation / Rate Design1995GASCOHPUC94-0307Gas Supply; Cost of Service; Rate Design1996MECOHPUC96-0040Cost Allocation / Rate Design 1996 BCG BCUC Shareholder Incentives 1996 PSD WUTC UE-960299 Special Contract 1996 PSD WUTC UE-960195 Merger, Puget Sound Power and Light / Washington Natural GAs 1997 BCG BCUC Southern Crossing Pipeline Economics 1998 MECO HPUC 97-0346 Cost of Service and Rate Design 1999 PSD WUTC UE-990267 Colstrip Sale and Accounting Treatment 1999 WPPSS EFSEC WNP-4 Site Restoration Options PSD/WWP/PPLUE-991255Centralia Sale and Accounting TreatmentAvista WUTCUE-991606Revenue Requirement; Rate Spread; Rate DesignNWNGWUTCUG-000073Revenue Requirement; Rate Spread; Rate Design 1999 2000 2000 2000 Sumas EFSEC 99-01 Recommendations on Site Certification Application 2000 PSE WUTC UE-001952 Industrial Market-Based Rates Sumas EFSEC 99-01 Recommendations on Revised Application 2001 PSE WUTC UE-011411 Merger Compliance Rate Filing PSE WUTC UE-011570 General Rate Proceeding 2002 2002 2003 MH MPUB Residential Rate Design

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ACRONYMS

ACC	ARIZONA CORPORATION COMMISSION
ANGU	ASSOCIATION OF NORTHWEST GAS UTILITIES
AZP	ARIZONA PUBLIC SERVICE COMPANY
BCEC	British Columbia Energy Coalition
BCG	BRITISH COLUMBIA GAS UTILITIES LTD.
BCUC	BRITISH COLUMBIA UTILITIES COMMISSION
BEL	City of Bellevue, Washington
BPA	BONNEVILLE POWER ADMINISTRATION
CBFWA	COLUMBIA BASIN FISH AND WILDLIFE AUTHORITY
GRANT	GRANT COUNTY PUBLIC UTILITY DISTRICT
GRAY	GRAYS HARBOR PUBLIC UTILITY DISTRICT
HECO	HAWAIIAN ELECTRIC COMPANY
HELCO	HAWAII ELECTRIC LIGHT COMPANY
HPUC	HAWAII PUBLIC UTILITY COMMISSION
ICC	ILLINOIS COMMERCE COMMISSION
IP	ILLINOIS POWER COMPANY
IPUC	IDAHO PUBLIC UTILITIES COMMISSION
KE	KAUAI ELECTRIC
MASON	PUBLIC UTILITY DISTRICT #3 OF MASON COUNTY, WASHINGTON
MTP	MONTANA POWER COMPANY
NIGAS	NORTHERN ILLINOIS GAS COMPANY
NMFS	NATIONAL MARINE FISHERIES SERVICE
NRC	ATOMIC SAFETY AND LICENSING BOARD/NUCLEAR REGULATORY COMMISSION
OPUC	PUBLIC UTILITY COMMISSION OF OREGON
PGN	PORTLAND GENERAL ELECTRIC COMPANY
PPW	PACIFIC POWER AND LIGHT COMPANY
PSD	PUGET SOUND POWER AND LIGHT COMPANY
SALEM	SALEM ELECTRIC COOPERATIVE
SAUDER	SAUDER INDUSTRIES, LTD. [CANADA]
SCL	SEATTLE CITY LIGHT
SENATE	WASHINGTON STATE SENATE
SNOPUD	SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT
Sumas	Sumas Energy Corporation
THERM	THERMAL REDUCTION, INC.
TRAILS	OREGON TRAILS ELECTRIC COOPERATIVE
TRIBE	COLUMBIA RIVER INTERTRIBAL FISH COMMISSION
WDW	WASHINGTON DEPARTMENT OF WILDLIFE
WECO	WASHINGTON NATURAL GAS COMPANY
WPPSS	WASHINGTON PUBLIC POWER SUPPLY SYSTEM
WUTC	WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
WWP	WASHINGTON WATER POWER COMPANY

NOTE: LIST DOES NOT INCLUDE LITIGATION ASSISTANCE