

**EXH. JDT-2  
DOCKETS UE-\_\_\_/UG-\_\_\_  
2019 PSE GENERAL RATE CASE  
WITNESS: JOHN D. TAYLOR**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-19\_\_\_  
Docket UG-19\_\_\_**

**FIRST EXHIBIT (PROFESSIONAL QUALIFICATIONS) TO THE  
PREFILED DIRECT TESTIMONY OF**

**JOHN D. TAYLOR**

**ON BEHALF OF PUGET SOUND ENERGY**

**JUNE 20, 2019**

## John D. Taylor

Mr. Taylor is a utility pricing expert with experience developing cost of service studies for both electric and gas utilities and transmission companies. He has deep experience with developing residential and commercial rates, analyzing midstream transportation and storage capacity resources, and assessing the relationship between price signals and the adoption of distributed generation assets. He has worked as the market monitor for New England ISO's capacity market, supported the negotiation of PPAs, and supported feasibility and prudence studies of generation investments. Mr. Taylor has led research on utility policy and pricing within Europe and Australia and has supported several Japanese firms with due diligence relating to North American assets and corporations. He has supported projects involving financial analysis, regulatory support and strategy, market assessment, litigation support, and organizational and operations reviews. He has an expert knowledge of cost allocation principles for utility cost of service studies and for affiliate transaction and service agreements. Mr. Taylor's work often involves providing support for regulatory proceedings by conducting various studies and analyses related to revenue requirements, affiliate transactions, class cost of service, and cash working capital studies. He also has experience in asset and corporate valuation, the application of real options analysis, and various risk management techniques. He has filed testimony as an expert witness on class cost of service studies, return on equity, and on the appropriate use of statistical analysis during audit testing. He has also been involved in the sale of generating assets as sell side advisors, supporting due diligence efforts, financial analyses, and regulatory approval processes. Prior to joining Black & Veatch Mr. Taylor was a principal of Concentric Energy Advisors and worked in the non-destructive testing industry.

## REPRESENTATIVE PROJECT EXPERIENCE

### Rate Design and Regulatory Proceedings

Mr. Taylor has worked on several electric and gas rate cases including the development of revenue requirements, class cost of service studies, and projects related to utility rate design issues. Specifically, he has:

- Lead expert and witness for six class costs of service studies across North America and worked on dozens of other class cost of service and rate design projects for other lead witnesses.
- Developed WNA mechanism for a gas utility including back casting results and supporting expert witness testimony and exhibits.
- Developed revenue requirement model to comply with a new performance based formula ratemaking process for a Midwest electric utility.
- Supported the developed of time of use rates.

## PRINCIPAL CONSULTANT

**Specialization:**  
Utility Costing and Pricing,  
Expert Witness  
Testimony, Transaction  
Facilitation, Revenue  
Requirements, Statistics,  
Valuation, Market Studies,  
Rate Case Management,  
Transaction Facilitation,  
Energy Litigation Support,  
Expert Testimony

**Office Location**  
Hilton Head Island, SC

**Education**

- M.A., Economics, American University, 2005
- B.A., Environmental Economics, University of North Carolina at Asheville, 2004

**Year Career Started**  
2005

**Year Started with B&V**  
2015

- Assessed the consequences of a divestiture on the cost of service model for a New England gas distribution company.
- Analyzed and summarized allocation methodology for a shared services company.
- Constructed the cost of service model for a Texas electric distribution utility.
- Assessed the reasonableness of costs through various benchmarking efforts.
- Led the effort to collect and organize plant addition documentation for six Midwest utilities associated with the state commission's audit of rate base.
- Supported lead-lag analysis and testimony.
- Analyzed customer usage profiles to support reclassification of rate classes for a gas utility.
- Helped conduct a marginal cost analysis to support rate design testimony.
- Conducted research on performance-based ratemaking and applicable precedents.
- Conducted a regression analysis to forecast use per customer to support a rate case for a gas utility.

#### Litigation Support and Expert Testimony

Mr. Taylor has testified in several cases on class cost of service studies and statistical audit methods. He has also supported numerous other expert testimonies. Specifically, he has:

- Filed testimony as an expert witness on allocated class cost of service studies.
- Filed testimony as an expert witness on the application of statistical analysis.
- Compared revenue recovery mechanisms in multiple jurisdictions in support of return on equity testimony.
- Supported affiliate cost testimony for a New England utility and for a Midwest utility.
- Supported testimony relating to the regulatory approval of assets sales and the recovery of shared services charges to regulated affiliates.
- Performed asset valuations associated with spent nuclear fuel litigation.
- Conducted research to support testimony associated with the decoupling of gas rates.
- Supported testimony and produced a discounted cash flow analysis relating to a 'lease in lease out' transaction in the Netherlands.
- Provided research on precedents and ratemaking theory regarding consolidated tax adjustments to support expert testimony.

### Transaction Experience

Mr. Taylor has been involved with several generating asset transactions supporting both buy side and sell side analysis and due diligence. His work has included:

- Helped facilitate and manage processes for a nuclear plant auction by processing Q&A, collecting relevant documentation and managing the virtual data room for auction participants.
- Supported the auction process for steam and chilled water distribution and generation assets in the Midwest.
- Supported the development of a financial model to ascertain the net present value of several competing wholesale power purchase agreements and guided the client with a decision matrix for the qualitative aspects of the offers.
- Provided research on comparable transactions, previous mergers and acquisitions, and potential transaction opportunities for several clients.

### Financial Analysis

Other financial analysis Mr. Taylor has conducted include:

- Modeling alternative mechanisms for the allocation of overhead costs to a nuclear plant.
- Analyzing the implications of a merchant power plant entering into a financial swap.
- Assisting with the creation of a replacement cost model used to value generation assets.
- Researching regulations associated with a foreign company establishing a U.S. natural gas marketing division.

### Market Research Experience

Other market research activities Mr. Taylor has been involved with include:

- Developed distributed CNG/LNG market studies for two separate utilities and two separate competitive market participants.
- Participated in the development of a peak shaving service market study for a mid-Atlantic utility.
- Researching and creating summaries of recent pipeline projects and LNG receiving facilities.
- Conducting research on potential Caribbean investment opportunities.
- Researching market dynamics and analyzing incentive structures in several restructured states.

## **EXPERT WITNESS TESTIMONY AND EXPERT REPORT PRESENTATION**

- British Columbia Utilities Commission
- Delaware Public Service Commission
- Federal Energy Regulatory Commission
- Illinois Commerce Commission
- Indiana Utility Regulatory Commission
- Main Public Service Commission
- Minnesota Public Utilities Commission
- Ontario Energy Board
- Pennsylvania Public Utility Commission