

Exhibit ___ (KLE-2)
Docket No. UG-041515
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,

Respondent.

DOCKET NO. UG-041515

EXHIBIT TO TESTIMONY OF
KENNETH L. ELGIN

STAFF OF THE
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

October 15, 2004

Experience and Qualifications of Kenneth L. Elgin

He received a Bachelor of Arts from the University of Puget Sound in 1974 and a Master of Business Administration from Washington State University in 1980. In January, 1985 he was initially employed by the Commission as a Utilities Rate Research Specialist for the Utilities Division. In that initial assignment he focused primarily on financial analysis and rate of return issues for all regulated utilities. He also was responsible for natural gas issues as the industry restructured in response to changes in Federal regulatory policy. In December, 1989 he was promoted to the position of Assistant Director for Energy as part of the reorganization of the Regulatory Services Division. In that capacity, he was responsible for the policy direction of the Utilities Division's electric and natural gas programs, which included the natural gas safety program. In 1995, he assumed his present position as the Case Strategist for the Division. In this current assignment he consults with or represents Staff on all aspects of energy cases presented to the Commission in the context of litigation. He also is a resource for other sections in the Division in contested proceedings before the Commission.

Mr. Elgin has testified before the Commission on many occasions as outlined in the attached table. He has testified before the Federal

Energy Regulatory Commission on issues related to rate design and risk for interstate natural gas pipelines. He has testified on several occasions in Superior Court regarding the regulation of investor-owned utilities, including issues of rate of return and valuation under the public service laws, as administered by the Commission pursuant to Title 80 & 81 RCW. He has also testified in arbitrations in valuation cases for the Department of Revenue. He has been the lead analyst for numerous tariff filings, and in that capacity presented Staff recommendations to the Commission at its regular open public meeting. Finally, he has made several studies of the cost of capital for energy companies in rate case filings, all of which led to a settlements of this issue.

During his nineteen years of experience working on energy and financial issues, he has developed a thorough working knowledge of both the operations and financial profiles of all energy utilities operating in Washington.

The following page is a summary of the contested cases Mr. Elgin describing the issues where he presented testimony: