

**BEFORE THE**  
**WASHINGTON UTILITIES AND**  
**TRANSPORTATION COMMISSION**

Cause No. UE-920499, UE-921262  
Rate Design Phase

**PUGET SOUND POWER AND LIGHT COMPANY**

Exhibit of

**JIM LAZAR**  
CONSULTING ECONOMIST

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UTIL. AND TRANSP.  
COMMISSION

On Behalf of  
Public Counsel Section  
Office of the Attorney General

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION	
UE-920433; -920499;	
No. <u>-921262</u>	Ex. <u>44</u> ✓

**Jim Lazar      Consulting Economist      Microdesign Northwest**

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Jim Lazar is a consulting economist specializing in utility rate and resource analysis. In more than fifty appearances before federal, state, and local regulatory bodies, he has provided expert assistance in the areas of conservation program development, 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.

He 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, the Nuclear Regulatory Commission, the Economic Regulatory Administration, the Bonneville Power Administration, the California Energy Commission, and numerous local regulatory agencies.

Jim Lazar served as a faculty member to the Western Consumer Utility Training Center in 1982, has been a guest speaker before the Western Conference of Public Service Commissions in 1981, and served as lead author of a book on utility rate and resource issues, entitled *The People's Power Guide*, published in 1982.

**EDUCATION:**

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

**EMPLOYMENT HISTORY**

- 1979 to Present  
Self-employed consulting economist: Energy and Transportation studies; Utility rate and resource analysis, conservation program design and evaluation, transportation system costs and benefits, marketing research.
- 1983-84  
Research Director, Northwest Conservation Act 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, People's Organization for Washington Energy Resources (POWER)
- 1977-79  
Research Analyst, Washington State Senate Transportation and Utilities Committee:  
Specialist in transportation and energy planning, safety, regulation, and taxation.

**PUBLICATIONS AND RESEARCH** [Excluding Regulatory Proceeding Testimony]

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

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

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

Utility Connection Charges and Credits: 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)

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

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

Actual Cost of Power from WPPSS Nuclear Plant #2, Second Year of Commercial Operation, (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)

Actual Cost of Power from WPPSS Nuclear Plant #2, First Year of Commercial Operation, (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)

A Ratepayer Perspective on Avoided Cost Pricing Under PURPA Section 210, (California Energy Commission, 1982)

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

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

Electricity Market Decontrol through Windfall Profits Taxation and Competitive Power Supply Contracting, (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)

## JIM LAZAR CONSULTING ECONOMIST

### RECENT CONSULTING CLIENTS [PARTIAL LISTING]

#### ELECTRIC UTILITIES

Emerald People's Utility District [Eugene, OR]  
Mason County Public Utility District #3 [Shelton, WA]  
Snohomish County Public Utility District [Everett, WA]  
Salem Electric Cooperative [Salem, OR]

#### PUBLIC AGENCIES

Arizona Corporation Commission  
Hawaii Department of Commerce and Consumer Affairs  
Idaho Public Utilities Commission  
National Marine Fisheries Service  
Office of the Attorney General, Washington  
Pacific States Marine Fisheries Commission  
Washington State Energy Office  
Washington State Department of Wildlife  
Washington Utilities and Transportation Commission

#### NONPROFIT ENTITIES

Northwest Conservation Act Coalition  
Natural Resources Defense Council  
Columbia River Intertribal Fish Commission  
Yakima Indian Nation  
Citizens Utility Board [Illinois]

#### PRIVATE CORPORATIONS / FOR-PROFIT ASSOCIATIONS

Association of Northwest Gas Utilities  
Oil Heat Institute of Washington  
Oil Heat Institute of Oregon  
Portland General Electric  
Sauder Industries  
Thermal Reduction, Inc.

EXPERT TESTIMONY AND ENERGY/UTILITY RESEARCH BY JIM LAZAR

YEAR	ORG	FORUM	CASE #	TOPIC/TITLE
1979	SKAGIT	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 Restrictions
1979	PSD	NRC		Relocation of Skagit Plant
1979	PSD	WUTC		High Interest Rate Financing
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			Alternatives to Cost/Benefit Analysis of Skagit
1980	PSD	WUTC	U-78-05	Rate Analysis and Service Fees
1980	IPC	IPUC		Conservation Based Hook-up Charges
1980	WPPSS			Analysis of Cost Forecasting
1981	GRAY			Review of PURPA Rate Making Standards
1981	SCL			"Giving Your Customers What They Want--And Need"
1981	WPPSS			Senate Report: Total Costs WNP's 1 Through 5
1981	WWP	IPUC	U-1008-155-156	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 on Power Supply Costs, Exhibits
1983	WWP	IPUC	U-1008-204	WNP3 Cost
1983	WWP	IPUC	U-1008-185	Review Colstrip 3&4 Costs, Rate of Return on WNP 3, Power Supply Costs, Exhibits
1984	PSD	WUTC	U-84-27/44	CWIP
1984	PSD	WUTC	U-84-61	Review Secondary Power Purchases & Sales
1984	WPPSS	NCAC		WNP 1&3 Cost Alternatives
1984	WWP	WUTC	U-84-28	Power Supply Costs, Lobbying Costs, Kettle Falls Rates, Relation to Skagit
1984	PUGET	WUTC	U-84-72	ECAC Boeing Cogeneration
1985	PGN			
	/PPW	OPUC	UE-44	Rate Design For Residential Users
1985	PSD	WUTC	U-85-19	ECAC
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	U-1345-85-156	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-86-55	ECAC 13 & 14
1986	PSD	WUTC	U-85-53	Limited Revenue Requirement Conservation Program Cost of Service/Rate Design
1986	PSD	WUTC	U-86-147	ECAC 15
1986	SNO	SNOPUD		"WNP 1 & 3 In A Rapidly changing environment"

EXPERT TESTIMONY AND ENERGY/UTILITY RESEARCH BY JIM LAZAR

YEAR	ORG	FORUM	DOCKET	SUBJECT
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-1345-85-367	Review AZP Cost of Service & Rate Design
1987	PSD	WUTC	U-86-131	Addresses The 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
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 & Consens
1991	PUGET	WUTC	UE-901183/84	Decoupling; Power Supply Cost Recovery
1991	GRANT	FERC	E-9569	Cost Impact of Fish Bypass Systems
1991	AZP	ACC	U-1345-90-007	Cost of Service/Rate Design
1992	HECO	HPUC	6998	Cost of Service/Rate Design
1992	HELCO	HPUC	6999	Cost of Service/Rate Design
1992	KE	HPUC	7003	Cost of Service/Rate Design
1992	CGC	WUTC	UG-920062	Gas Tracker
1992	PSD	WUTC	UE-920630	Periodic Rate Adjustment Mechanism

ACRONYMS

ACC	ARIZONA CORPORATION COMMISSION
ANGU	ASSOCIATION OF NORTHWEST GAS UTILITIES
AZP	ARIZONA PUBLIC SERVICE COMPANY
BPA	BONNEVILLE POWER ADMINISTRATION
CBFWA	COLUMBIA BASIN FISH AND WILDLIFE AUTHORITY
CEC	CALIFORNIA ENERGY COMMISSION
CGC	CASCADE NATURAL GAS COMPANY
CWE	COMMONWEALTH EDISON
EPUD	EMERALD PEOPLE'S UTILITY DISTRICT, OREGON
FERC	FEDERAL ENERGY REGULATORY COMMISSION
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
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