**Exhibit No. \_\_\_ (KLE-2)**

**Dockets UE-140188/UG-149189**

**Witness: Kenneth L. Elgin**

**BEFORE THE WASHINGTON STATE**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| **WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,** **Complainant,****v.****AVISTA CORPORATION, dba****AVISTA UTILITIES,** **Respondent.** | **DOCKETS UE-140188 and** **UG-140189 *(Consolidated)*** |

**EXHIBIT TO**

**TESTIMONY OF**

**Kenneth L. Elgin**

**STAFF OF**

**WASHINGTON UTILITIES AND**

**TRANSPORTATION COMMISSION**

***Experience and Qualifications***

**July 22, 2014**

Experience and Qualifications of Kenneth L. Elgin

 I 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 I was initially employed by the Commission as a Utilities Rate Research Specialist for the Utilities Division. In that position I focused primarily on financial analysis and rate of return issues for all regulated utilities. During my second year with the Commission I assumed responsibility for natural gas issues as the industry restructured in response to changes in Federal regulatory policy. In December 1989 I became the Assistant Director for Energy as part of the reorganization of the Regulatory Services Division. In that position, I 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 I assumed the position of Case Strategist for the Division. In this assignment I consulted with or represented Staff on all aspects of contested energy cases presented to the Commission. I also am a resource for other sections in the Division in contested proceedings before the Commission. In 2010 my new assignment as a Senior Financial Analyst began.

 I have testified before the Commission on many occasions as outlined in the attached schedule. I have also testified before the Federal Energy Regulatory Commission on issues related to rate design and risk for interstate natural gas pipelines. I have testified in Superior Court as an expert in the regulation of investor-owned utilities, including issues of rate of return and valuation of public utilities. I have also testified as an expert witness for the Department of Revenue in arbitrations concerning valuation of public service companies and on energy industry restructuring. I have been the lead analyst for well over one hundred tariff filings, and in that capacity presented Staff recommendations to the Commission at its regular open public meeting. Finally, I have made numerous studies of the cost of capital for energy companies in contested rate proceedings leading to a settlement of this issue. I am responsible for the analysis of all filings with the Commission pursuant to Chapter 80.08 RCW, which involves securities issued by public service companies.

 During my twenty-nine plus years of experience working on energy and financial issues, I have developed a thorough working knowledge of both the operational and financial profiles of jurisdictional energy utilities. I have defended testimony with a description of the contested issues in the following proceedings:

| WUTC DOCKET NUMBER | **COMPANY NAME** | **ISSUE** |
| --- | --- | --- |
| U-85-23 | Telephone/Access Charges | Rate of Return for local exchange carriers in Washington |
| U-86-41 | Northwest Natural Gas | Rate of Return, Rate of Design |
| U-86-100 | Cascade Natural Gas | Rate of Return, Competitive Pricing |
| U-86-117 | Washington Natural Gas | Purchased Gas Policy |
| U-87-640 | Continental Telephone | Rate of Return, Securities |
| U-87-1338 | Pacific Power & Light | Merger Policy |
| U-87-1532 | Washington Water Power | Rate Design, Cost of Service |
| U-88-2126/2127 | Northwest Natural Gas | Competitive Pricing Special Contracts |
| U-88-2173 | Yelm Telephone Company | Rate of Return |
| U-88-2380 | Washington Water Power | Policy, Purchased Gas Adjustment, Rate Design, Services, Transportation |
| U-89-3105 | Washington Water Power | Prudence, Excess Capacity |
| UE-901183 | Puget Sound Power & Light | Regulatory Reform, Decoupling |
| UE-901459 | Washington Water Power | Policy, Bypass, Rate Design |
| UG-920630 | Puget Sound Power & Light | Regulatory Reform |
| UG-920840 | Washington Natural Gas | Policy |
| UE-921262 et al | Puget Sound Power & Light | Policy, Prudence, Decoupling, Risk |
| UE-950570 | Puget Sound Power & Light | Exit Fees, Standard Cost |
| UE-960299 | Puget Sound Power and Light | Special Contracts, Price Discrimination |
| UE-971422 | Washington Water Power | Banded Rates, Price Discrimination |
| UE-981149 | Washington Water Power | Service Territory Agreements |
| UE-981410 | Puget Sound Energy | Tariff Interpretation |
| UE-990267 | Puget Sound Energy | Policy, Transfer of Property – Colstrip |
| UE-991255UE-991262UE-991409 | AvistaPacifiCorpPuget Sound Energy | Policy, Transfer of Property – Centralia |
| UE-010395 | Avista | Emergency Rates |
| TO-011472 | Olympic Pipeline | Interim Rate Relief, Financial Policy and Analysis |
| UE-031725 | Puget Sound Energy | Prudence |
| UE-041515 | Avista | Ratemaking Policy, Cost of Capital |
| UE-050684 | PacifiCorp | Double Leverage |
| UE-051090 | MEHC/PacifiCorp | Transfer of Property & Financial Analysis of Acquisition |
| UE-060817 | PacifiCorp | Power Cost Mechanism & Cost of Capital Impacts |
| UG-061721 | Cascade/MDU | Transfer of Property & Financial Analysis of Acquisition |
| UE-070311, UE-070804 | Avista | Cost of Debt & Preferred, Refinancing & Accounting Treatment of Costs |
| U-072375 | PSE/ MACQUARIE | Transfer of Property, Financial Risk, Ring Fencing |
| UE-100749 | PACIFICORP | Cost of Capital |
| UE-111048, UG-111049 | Puget Sound Energy | Cost of Capital, Attrition, Regulatory Lag |
| UE-120436, UG-120437 | Avista | Cost of Capital, Policy |
| UE-130043 | PacifiCorp | Cost of Capital |
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| **FERC DOCKET NUMBER** | **COMPANY NAME** | **ISSUE** |
| RP 95-409 | Northwest Pipeline Corporation | Capital Structure, Rate Design, Risk |
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