

Exhibit No. ___ (KLE-2)
Dockets UE-140188/UG-149189
Witness: Kenneth L. Elgin

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

**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-991255	Avista	Policy, Transfer of Property – Centralia
UE-991262	PacifiCorp	
UE-991409	Puget Sound Energy	
UE-010395	Avista	Emergency Rates
TO-011472	Olympic Pipeline	Interim Rate Relief, Financial Policy and Analysis

WUTC DOCKET NUMBER	COMPANY NAME	ISSUE
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
FERC DOCKET NUMBER	COMPANY NAME	ISSUE
RP 95-409	Northwest Pipeline Corporation	Capital Structure, Rate Design, Risk