

**EXH. JDT-2
DOCKET UG-230393
WITNESS: JOHN D. TAYLOR**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UG-230393

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

JOHN D. TAYLOR

ON BEHALF OF PUGET SOUND ENERGY

MAY 25, 2023

John D. Taylor

Managing Partner

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 consumer behaviour.

He has filed testimony as an expert witness on class cost of service studies for both electric and natural gas utilities, return on equity, and on the appropriate use of statistical analysis during audit testing. Mr. Taylor 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 has also been involved in the sale of generating assets as sell side advisors, supporting due diligence efforts, financial analyses, and regulatory approval processes.

EDUCATION

M.A., Economics, American University

B.A., Environmental Economics, University of North Carolina at Asheville

YEARS EXPERIENCE

15

RELEVANT EXPERTISE

Utility Costing and Pricing, Expert Witness Testimony, Transaction Facilitation, Revenue Requirements, Statistics, Valuation, Market Studies, Rate Case Management, New Product and Service Development, Strategic Business Planning, Marketing and Sales

EXPERT WITNESS TESTIMONY PRESENTATION

United States

- Delaware Public Service Commission
- Federal Energy Regulatory Commission
- Illinois Commerce Commission
- Indiana Utility Regulatory Commission
- Maine Public Service Commission
- Massachusetts Department of Public Utilities
- Minnesota Public Utilities Commission
- New Hampshire Public Utilities Commission
- North Carolina Utilities Commission
- Oregon Public Utility Commission
- Pennsylvania Public Utility Commission
- Washington Utilities and Transportation Commission
- Public Service Commission of West Virginia

Canada

- Alberta Utilities Commission
- British Columbia Utilities Commission
- Ontario Energy Board

REPRESENTATIVE EXPERIENCE

Rate Design and Regulatory Proceedings

Mr. Taylor has worked on dozens of 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 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, demand rates, economic development rates, load retention rates, and line extension policies.
- Analyzed and summarized allocation methodology for a shared services company.
- 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 analyses and testimonies.
- 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.

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 for both electric and gas utilities.
- Filed testimony as an expert witness on the application of statistical analysis.
- Filed testimony before FERC on the rate of return for an Annual Transmission Revenue Requirement and participated in FERC settlement conferences.
- Part of two-person expert witness team that provided an expert report to the British Columbia Utilities Commission on the use of facilities for transportation balancing services for Fortis BC.
- Part of two-person expert witness team that provided an expert report on affiliate transactions and capitalized overhead allocations for Hydro One on three separate occasions.
- Sole expert for expert report on affiliate allocations for Alectra utilities, the second largest publicly owned electric utility in North America. This was conducted shortly after the merger of four distinct utilities.
- Sole expert for expert report on the allocation of overhead costs between transmission and distribution businesses for EPCOR.

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:

- Worked as buy side advisor for a large water utility in the mid-Atlantic region including supporting the review of revenue requirements, rates, and forecasts.
- 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 and Market Research

Other financial analysis and market research Mr. Taylor has conducted include:

- Estimated the rate impact and costs associated with moving California energy market to 100% renewable.
- Assessed the consequences of a divestiture on the cost of service model for a New England gas distribution company.
- Developed distributed CNG/LNG market studies for two separate utilities and two separate competitive market participants.
- Modeling alternative mechanisms for the allocation of overhead costs to a nuclear plant.