

**EXHIBIT NO. \_\_\_(CEO-2)**  
**DOCKET NO. UE-11\_\_\_/UG-11\_\_\_**  
**2011 PSE GENERAL RATE CASE**  
**WITNESS: DR. CHARLES E. OLSON**

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

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-11\_\_\_**  
**Docket No. UG-11\_\_\_**

**FIRST EXHIBIT (PROFESSIONAL QUALIFICATIONS) TO THE  
PREFILED DIRECT TESTIMONY OF  
DR. CHARLES E. OLSON  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**

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**PUGET SOUND ENERGY, INC.**

**FIRST EXHIBIT (PROFESSIONAL QUALIFICATIONS) TO THE  
PREFILED DIRECT TESTIMONY OF DR. CHARLES E. OLSON**

**Q. Please state your name and business address.**

A. My name is Dr. Charles E. Olson. My address is 10822 Alloway Drive, Potomac, Maryland 20854.

**Q. By whom are you employed and in what capacity?**

A. I am a Professor of the Practice at the University of Maryland, Robert H. Smith School of Business, where I teach courses in economics, strategy and international business. I am also self-employed as a consulting economist.

**Q. Please describe your education and relevant experience.**

A. I attended and received the following degrees from the University of Wisconsin at Madison: B.B.A in 1964 (Senior Honors), M.S. in 1966, and Ph.D. in 1968. My doctoral dissertation analyzed the structure of the electric power industry.

I joined the University of Maryland in 1968 as an Assistant Professor and taught full-time in the College of Business and Management. I taught graduate courses in managerial economics, public utilities and transportation and undergraduate courses in public utilities and transportation.

1 In 1971, I was appointed Associate Professor and held that position until I left in  
2 September 1976 to join Zinder Companies, Inc. ("Zinder") as Senior Economist.  
3 In December 1977, I was elected Vice President of Zinder, and in December 1979  
4 I was elected Senior Vice President. In September 1980, I resigned from Zinder  
5 to organize my own firm, and I returned to Zinder in December 1986 as its  
6 President. After fourteen years, I resigned as President of Zinder. Currently, I am  
7 Professor of the Practice at the University of Maryland, Robert H. Smith School  
8 of Business, where I teach courses in economics, strategy and international  
9 business. I am also a consulting economist. During the past five years, I have  
10 won awards for teaching innovation and excellence.

11 During the past 40 years, I have authored and co-authored various papers, articles,  
12 reports and other published material. These have been published in the Public  
13 Utilities Fortnightly, Land Economics, the Transportation Journal, Business  
14 Horizons, and the Highway Research Record. The Institute of Public Utilities at  
15 Michigan State University published a revised version of my thesis, entitled "Cost  
16 Considerations for Efficient Electricity Supply." I have also contributed to two  
17 other volumes, Regional Economic Effects of Alternative Highway Systems  
18 (Ballinger Publishing Co., 1974) and Studies in Electric Utility Regulation  
19 (Ballinger Publishing Co., 1975).

20 I have given speeches, workshops and papers to many groups, both academic and  
21 business. I was a coordinator and lecturer in the American Gas Association's  
22 Annual Rate Fundamentals Course at the University of Wisconsin from 1971 to

1 1996. The topics I have lectured on in this course include pricing, utility  
2 accounting, rate level determination, cost of capital and cost of service analysis. I  
3 also have lectured at other American Gas Association short courses.

4 My consulting experience dates back to 1970. Since then, I have worked on more  
5 than 400 rate and certificate cases and have presented testimony more than 300  
6 times. I have testified before the Federal Communications Commission, the  
7 Postal Rate Commission, the Federal Energy Regulatory Commission, the  
8 Interstate Commerce Commission, the New York Energy Planning Board, the  
9 Dallas and Beaumont City Councils and public utilities commissions in 40 states,  
10 the District of Columbia and three Canadian provinces. The cases involved  
11 electric, gas, water and telecommunications utilities. I have also testified in oil  
12 pipeline and taxi cases. My testimony covered numerous subjects, including fair  
13 rate of return, rate base, revenue requirements, revenue and expense adjustments,  
14 pricing and rate design.

15 In addition, I have been a consultant on numerous other projects and studies  
16 including a study of the Uniform System of Accounts for telephone companies  
17 and a study of entry and fare determination policies for the taxicab industry in  
18 Washington, D.C. Working for the Harvard Institute for International  
19 Development, I advised the government of Colombia on public utility rates.

20 From 1977 to 1978, I directed a demand study for the gas distribution utilities in  
21 New York. Finally, I also directed a study on gas rate design for the Economic  
22 Regulatory Administration.

1 I have also performed a significant amount of community service work, testifying  
2 in a number of cases on a *pro bono* basis. I have presented testimony before two  
3 congressional committees. I was a member of two Federal Power Commission  
4 ("FPC") National Power Survey Advisory Committees. Finally, I was Vice  
5 Chairman of the former FPC's Gas Policy Advisory Council: Transmission,  
6 Distribution and Storage-Technical Advisory Task Force-Rate Design.

7 I am a member of the Transportation and Public Utilities Group, and I am listed in  
8 Who's Who in America.

9 **Q. Have you testified in Washington State?**

10 A. Yes. I testified on behalf of Puget Sound Energy, Inc. and other parties in a  
11 number of rate proceedings. My testimony addressed rate of return and other  
12 topics.