

## Ronald J. Amen

Mr. Amen has over thirty-five years of combined experience in utility management and consulting in the areas of regulatory affairs, resource planning, organizational development, distribution operations and customer service, marketing and sales, and systems administration. He has particular expertise in the following areas: regulatory policy, strategy and analysis; resource strategy, planning and financial analysis; cost allocation and pricing issues; business process design and organizational structures; and expert witness testimony. Prior to joining Black & Veatch, Mr. Amen's consulting experience included Concentric Energy Advisors, Inc. and Navigant Consulting, Inc. His prior utility experience includes Manager of Federal Regulatory Affairs at Puget Sound Energy, Inc., Director of Rates at Washington Natural Gas Company, Regional Director - Operations and Director – Rates for Indiana Energy (now Vectren), and management positions in Information Systems and Distribution Operations at Ohio Valley Gas Corporation.

## PROJECT EXPERIENCE

### REGULATORY POLICY, STRATEGY AND ANALYSIS

#### Southwestern Electric/Gas Utility |

Provided case management, revenue requirement, cost of service and rate design support for a general rate cases in the utility's two State regulatory jurisdictions. Issue management and policy development included an electric fuel and purchased power cost mechanism, recovery of environmental remediation costs for a coal-fired power plant, and the valuation of renewable energy credits related to a wind power facility.

#### Confidential Energy Company |

Provided due diligence on behalf of client related to the purchase of a gas/electric utility, including a review of the regulatory and market related assumptions underlying the client's valuation model, resulting in the validation of the model and identification of key business risks and opportunities.

#### Confidential Energy Company |

Provided regulatory due diligence support for client related to a proposed merger with a multi-jurisdictional gas/electric company, including an evaluation of the regulatory landscape in the various applicable State jurisdictions, recent regulatory decisions, and current regulatory issues.

## DIRECTOR

**Specialization:**  
Financial, regulatory, strategic, operations and litigation support

**Office Location**  
Redmond, WA

**Education**

- B.S., Business Administration (Finance and Economics), College of Business Administration, University of Nebraska, 1978

**Professional Associations**

- American Gas Association
- Southern Gas Association

**Year Career Started**  
1978

**Year Started with B&V**  
2013

### **Confidential Energy Company |**

Performed due diligence on behalf of a confidential energy company client related to the acquisition of a U.S. interstate pipeline, involving a market assessment related to its customer contracts and their prospective alternatives.

### **Eastern Electric/Gas Utility |**

Provided management with an evaluation of its line extension practices for both its gas and electric services and an earnings impact assessment using a proprietary evaluation model. Conducted a workshop for management on the results of the evaluation and recommendations for consideration in the areas of revenue enhancements, modification of internal policies and procedures and construction cost control areas.

### **Eastern Gas Utility |**

Provided management with an evaluation of the policies, procedures and tools presently used in its new customer addition process, an assessment of the impact of new customer growth on NOI, and regulatory solutions to accelerate recovery of new customer costs that best meet the regulatory requirements of its three state jurisdictions.

### **Canadian Gas Utility |**

Engaged to assist with the development of a Gas Transmission asset ownership strategy. The project included researching examples from other jurisdictions in North America for transmission ownership structures, the supporting rationale, and the resulting regulatory treatment.

### **Eastern Gas Utility |**

Provided expert witness testimony on the subject of new area expansion programs in the U.S. for the client's general rate case proceeding. As part of a negotiated settlement of the case, the client was permitted to establish a new area expansion pilot program.

### **Pacific Northwest Electric/Gas Utility |**

Redesigned gas line extension policy based on financial investment criteria, standardized construction costs, and revenue contributions derived from the client's residential end-use data (building type/size/vintage, appliance type, etc.). Introduced a new customer rate option for customers whose facilities extensions did not meet the target rate of return requirement, which significantly reduced earnings attrition caused by rapid customer growth. In a later general rate proceeding, testimony support was provided regarding the modifications and revisions to the facilities extension program.

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## **RESOURCE PLANNING, STRATEGY AND FINANCIAL ANALYSIS**

### **Western Canadian Gas Utility |**

Retained to help develop a gas supply incentive mechanism in cooperation with the BCUC staff and the Company's other stakeholders. Provided an independent analysis of the utility's management of pipeline and storage capacity and supply. Part of this work entailed a review of the major markets in which the utility transacted, reviewing the size of trading activity at the major market hubs and reviewing the price indices for these markets.

### **Western Electric Utility |**

Engaged as a member of a consultant team that served as the independent evaluator in a competitive solicitation for non-intermittent generation resources. Jointly recommended by the utility client, the staff of the utility commission, and the state attorney general, the consulting team acted as an agent of the public utility commission monitoring and overseeing the solicitation, which included reviewing the request for proposals and solicitation process, including provisions of the PPA, preliminary review (economic and contractual) of bids received from the request for proposals, initial modeling of bids for screening, selection of bidders with whom to conduct negotiations and oversight of the negotiation process, and the ultimate selection of the winning bid. Provided due diligence review of all input data, preliminary and final model output, and output summaries. The team produced bi-weekly confidential reports to the commission regarding the process and its results.

### **Pacific Northwest Gas Utility |**

Assisted with the development of its long-term Integrated Resource Plan ("IRP") for its Oregon and Washington service territories. The IRP includes the evaluation of incremental inter- and intra-state pipeline capacity, underground storage, and two proposed LNG plants under development in the region.

### **Pacific Northwest Electric/Gas Utility |**

Engaged to assist the client with the development of a natural gas resource efficiency and direct end-use strategy, an interdepartmental initiative focused on preparing a natural gas resource efficiency plan that optimizes customers' end-use energy consumption while furthering corporate customer, financial, environmental, and social responsibilities.

### **Pacific Northwest Electric/Gas Utility |**

As part of a review of a gas procurement strategy and hedging analytics, provided gas LDC case studies for gas procurement and risk management

practices, including identification of risk management best practices across the industry.

#### **Pacific Northwest Electric/Gas Utility |**

Provided resource planning strategy and analysis for the Company's Least Cost Plan, including a review of the company's underlying 20-year electric and gas demand forecasts.

#### **Pacific Northwest Electric/Gas Utility |**

Engaged as a member of a consulting team serving as the client's financial advisor for the acquisition of new electric power supply resources. Conducted a multi-track solicitation process for and evaluation of generation assets and purchase power agreements. Provided regulatory support for the acquisition in a subsequent power cost rate proceeding.

#### **Midwestern Electric/Gas Utility |**

Provided an evaluation of the functions provided by the utility's underground storage facilities for the purpose of assigning cost responsibility to the various customer groups, which had been challenged by parties in the company's general rate proceeding.

#### **Southwestern Electric/Gas Utility |**

Conducted an evaluation of two gas operating subsidiaries, their capital planning, asset management strategy, and customer growth practices. Formulated a strategy for improving the profitability of the entities, with regulatory strategies for its two jurisdictions that included a special cost recovery mechanism for accelerated infrastructure replacement programs.

#### **Midwestern Municipal Electric Utility |**

Engaged as a member of three-consultant team that established a self-sustaining energy services business to replace its rebate-based, demand-side management programs. Area of focus included the finance and administrative functions as well as the employee evaluation and recruitment process.

#### **European Electric Utility |**

Provided strategy and analysis support, including a review of the natural gas value chain in the U.S., as part of an overall project scope focusing on the evaluation of retail multi-energy strategies for the client.

### **COST ALLOCATION, PRICING ISSUES AND RATE DESIGN**

#### **Southwestern Electric Utility |**

Retained to conduct a study to estimate the conservation effect of replacing its existing electric residential rate design with an alternative rate design such as

an inverted block rate design. Reviewed inclining block rate structures that have actively been employed in other jurisdictions and also reviewed technical and academic literature to assess the elasticity of electricity demand for residential customers in the U.S. Southwest. Analyzed 2009-2011 residential data to determine what sort of conservation effect the Company may expect by implementing an inclining block rate structure. Provided an overview of alternative rate structures which may also promote conservation effects, such as seasonal rates, three-part rates and time-of-use (“TOU”) rates, and considered the competing incentives of promoting conservation and cost recovery, without specific rate mechanisms to address this conflict.

### **Northeastern Electric Utility |**

Supported utility in its decoupling proposal for the Company’s general rate case. Work included: (1) research on the financial implications of decoupling; (2) identification of decoupling mechanism details to address company and regulatory requirements and objectives; (3) identification of rate adjustment mechanisms that would work together with the Company’s proposed decoupling mechanism; and (4) preparing pre-filed testimony and testifying at hearings in support of the Company’s decoupling and rate adjustment proposals. The proposed rate adjustment mechanisms included an inflation adjustment mechanism based on a statistical analysis, and a capital spending mechanism to recover the costs associated with capital plant investment targeted to improving service reliability.

### **Northeastern Electric/Gas Utility |**

Conducted class allocated cost of service studies for the client’s New England natural gas operations. This included combined gas cost of service studies for the consolidation of four gas service territories into two gas utility subsidiaries. During interrogatories, performed four separate allocated cost of service studies for each gas service territory. Work included reconfiguring the Company’s commercial and industrial customer classes according to size of load and customer-related facilities. Served as an expert witness on behalf of the client in consolidated general rate cases before the Massachusetts Department of Public Utilities.

### **Midwestern Energy Company |**

Conducted class allocated cost of service studies for the client’s natural gas (including two other affiliate gas utilities) and electric operations. Work included reconfiguring the Company’s commercial and industrial customer classes according to size of load and customer-related facilities. Rate design was modernized to recover a greater portion of fixed costs via fixed monthly customer and demand based charges, a transition to a “Straight-Fixed

Variable” form of rate design. Industry research was provided on alternative rate designs for the electric service, including Time-of-Use rates and Critical Peak Pricing. Served as an expert witness on behalf of the client in three general rate cases before the Indiana Utility Regulatory Commission.

#### **Midwestern Electric Utility |**

Conducted class allocated cost of service studies for a Midwestern electric utility’s Minnesota electric operations. Work included reconfiguring the Company’s customer classes for cost of service purposes to collapse end-use based classes with the classes to which they would be eligible. Cost of service studies were performed on a before-and-after basis for the existing and proposed classes. The cost of service studies included a Fixed/Variable study for Production costs, and a Primary – Secondary study for poles, transformers and conductors. Performed a Time of Use analysis to determine the appropriate rate differentials for its Peak and Off-peak rates. Served as an expert witness on behalf of the client in a general rate case before the Minnesota Public Service Commission.

#### **Midwestern Gas Utility |**

Provided cost of service and rate design support for the Company’s general rate case filings in its two State jurisdictions and in support of a Section 311 transportation filing before the Federal Energy Regulatory Commission (FERC). Provided related research, design and expert witness testimony in support of a Revenue Decoupling mechanism in one jurisdiction and a Weather Normalization Adjustment (WNA) mechanism in the other jurisdiction, along with a significant increase in fixed charges and the introduction of demand charges for the Company’s largest customer classes. Conducted a pre-filing “Decoupling” workshop for the utility commission staff.

#### **Pacific Northwest Gas Utility |**

Provided Cost of Service and Rate Design support for the utility’s general rate case, including expert witness testimony. Assisted the client with an earlier revenue neutral reconfiguration of its Commercial / Industrial sales and transportation service offerings. The earlier initiative included collaborative work with an industrial customer stakeholder group.

#### **Midwestern Energy Company |**

Assisted the client with the pursuit of alternative regulatory initiatives in conjunction with company’s expansion of its energy efficiency and conservation programs. Supported the research, design, and selection of

Revenue Decoupling mechanisms for its two regulated gas utility subsidiaries. Served as the cost of service witness in two general rate case filings.

#### **Pacific Northwest Electric/Gas Utility |**

In two general rate proceedings, provided Cost of Service and Rate Design support, including expert witness testimony in support of the utility's proposed gas Revenue Decoupling mechanism. Conducted research on accelerated cost recovery mechanisms for Infrastructure Replacement, Electric Power Cost Adjustment mechanisms and Gas Supply Pricing Options of utilities in North America.

#### **U.S. Energy Company |**

Engagement director for Cost of Service and Rate Design support for the general rate proceedings of the Company's Midwestern and Northeastern gas utilities, including expert witness testimony on cost of service, rate design and declining use-per-customer. Rate design support included a proposed ten-year weather normal, and the introduction of straight-fixed variable rates (Midwestern LDC). This was the third consecutive rate case engagement for the Northeastern LDC.

#### **Midwestern Electric/Gas Utility |**

Assisted the Company with the preparation of a retail customer choice filing for one of its gas distribution jurisdictions. Provided support for the development ancillary service costs, the design of program cost recovery mechanisms, and tariff structure for service offerings.

#### **Western Canadian Gas Utility |**

Served as engagement manager for cost of service and rate design support. Represented the client in its capital investment recovery proceeding for a major pipeline project, a cross-provincial transmission pipeline. The three-phase project included regulatory strategy support for executive management regarding the integration of the pipeline proposal with the utility's PBR and unbundling initiatives and a global rate design proceeding. Cost of service support included a review of its gas cost portfolio allocation to firm sales customer classes, a survey of the trends in gas cost allocations and incentive mechanisms in North America, and serving as a facilitator for an all-party cost allocation and rate design workshop.

#### **Northeastern Gas Utility |**

Served as engagement manager for cost of service and rate design support, including expert witness testimony, for the client's participation in a state-wide gas unbundling proceeding. Subsequent projects included analysis of the client's demand forecasting capability, implementation of an algorithm-based

balancing service and a cost of service studies related to transportation related administrative costs, resources supporting system reliability and recovery of potentially stranded costs.

#### **Midwestern Gas Transmission/Distribution Utility |**

Engagement manager for cost of service and rate design support, including expert witness testimony, for client's asset separation and unbundling proceeding as well as a subsequent general rate case. Integrated gas utility (wellhead to burner-tip) unbundled upstream services (production and gathering, storage, and intra-state transmission) from its distribution business.

#### **South American Gas Utility |**

For an affiliate of a major U.S. energy company, conducted a cost of service and rate design training for management personnel engaged in the planned restructuring of the rate-setting processes for three gas utilities in Brazil.

#### **Canadian Energy Marketer |**

Provided consulting support and position paper on cost allocation and pricing issues for Canadian gas marketer's participation in a restructuring collaborative sponsored by the intra-provincial pipeline and local distribution utility in Saskatchewan.

#### **Pacific Northwest Gas Utility |**

Negotiated and obtained regulatory approval of a 20-year contract with the company's largest industrial customer, which avoided bypass of 14 primary plant facilities within the service territory, prevented loss of annual throughput, and maintained contribution to system costs.

#### **Pacific Northwest Gas Utility |**

Obtained regulatory approval of unbundled, cost-based transportation services to meet large commercial and industrial customer needs and re-designed rates of other classes to better align with new cost of service methodology. The project required the facilitation of a collaborative working group of key industrial customers, customer associations, commission staff, and consumer advocacy agencies.

#### **Western Energy Company |**

Provided case strategy and cost of service support for the biennial cost allocation proceedings of two utility subsidiaries of the Company.



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## UTILITY SYSTEM OPERATIONS AND ORGANIZATIONAL DEVELOPMENT

### Pacific Northwest Electric/Gas Utility |

Engaged to perform a review of its project management and capital spending authorization processes (CSA). The overall project objectives were to educate project management (PM) staff as to the importance and relevance of regulatory prudence standards; evaluate existing PM processes along with newly introduced corporate CSA processes; and propose PM and corporate process and documentation efficiencies. This was accomplished through 1) a situational assessment and risk review; 2) analysis of project management practices; and 3) development of common documentation for the CSA and PM processes.

### Pacific Northwest Electric/Gas Utility |

Engaged to perform a review of how the company compares to similarly-situated utilities in the areas of the underlying capitalized costs related to new customer additions (“New Business Investment”) and the management policies and practices that influence the new business capital investment. Examined the inter-relationships of our client’s management policies and practices in the functional areas related to New Business Investment and developed an understanding of the nature of the costs captured by the New Business Investment process. Benchmarked those costs relative to peers’ cost factors and management capital expenditure practices and performed targeted peer group interviews on our client’s behalf. The review identified certain trends and/or inter-relationships between management policies and practices, as well as other exogenous factors, and the resulting impact on New Business Investment.

### Pacific Northwest Electric/Gas Utility |

Engaged to perform a review of its electric transmission planning and project prioritization process. The emphasis of the review was to determine if the process implemented by the client could be expected to meet the regulatory standard of prudence, as adopted by the state regulatory commission. Reviewed the prudence standard adopted by the commission in several recent regulatory proceedings, supplemented by our knowledge of the prudence standard adopted at a national level and in other states. The engagement included two phases: 1) an initial situation assessment of the existing process employed by the client, and 2) a review of the historic implementation of that process by reviewing a sampling of transmission projects. Compiled and provided examples of capital planning documents and procedures, viewed as “Best Practices,” from other electric utilities and other relevant transmission entities.

### **Midwestern Energy Company |**

Provided audit support for one of the Company's gas and electric utilities during a management audit ordered by one of its two regulatory jurisdictions. Conducted a pre-audit of distribution operations and resource planning process to provide the client with potential audit issues. Assisted the client throughout the audit process in responding to information requests, preparing Company executives and management personnel for audit interviews, and management of preliminary audit issues and findings by the independent audit firm.

### **Midwestern Energy Company |**

Performed a number of benchmark analyses to compare each of the client's A&G and O&M expenses, on a per-customer basis, to various peer groups conducted for the client's natural gas and electric operations. Analyses were performed for natural gas utilities, electric utilities, and combination utilities with both electric and gas operations. Various iterations of the analyses were prepared to make the peer group of utilities more comparable to the characteristics of the client's utility operations. Served as an expert witness on behalf of the client in a consolidated general rate case proceeding of its three utility subsidiaries before the Illinois Commerce Commission.

### **Western Multi-state Water Utility |**

Engaged to manage the implementation of a new revenue decoupling mechanism into its 24 separate rate areas. Changes to the following processes and related procedures were required: rate setting, meter reading, billing, revenue and financial reporting. Microsoft Project was used to manage and track the implementation throughout the following organizations: Rates, Accounting, Information systems, Communications, and Customer Service.

### **Northwestern Electric/Gas Utility |**

Conducted an evaluation of the Company's key accounts (Top 100) and business account services organization. Work included compilation of "best practices" from peer group utilities, recommendations related to staffing levels, roles and responsibilities, and the interrelationships with the customer service (call center), revenue management and community relations organizations of the utility.

### **Eastern Gas Utility |**

Provided market monitoring strategies and action plans based on an analysis of competitive threats and discussions with the client's customers and other utilities facing similar issues. Intent of recommended monitoring strategies and corresponding action plans to result in increased customer growth

(meters) and/or customer retention, including a prioritized implementation approach to the monitoring strategies and action plans, based on benefits to the client and time to implement.

#### **Southern Electric/Gas Utility |**

Conducted an evaluation of two gas operating subsidiaries, their capital planning, asset management strategy, and customer growth practices. Formulated a strategy for improving the profitability of the entities, with regulatory strategies for its two jurisdictions that included a special cost recovery mechanism for accelerated infrastructure replacement programs.

#### **Midwestern Municipal Electric Utility |**

Engaged as a member of three-consultant team that established a self-sustaining energy services business to replace its rebate-based, demand-side management programs. Area of focus included the finance and administrative functions as well as the employee evaluation and recruitment process, which involved establishing the organization structure, span of control, job descriptions, qualifications, and salary ranges. We worked closely with the head of new organization, the municipal utility management, and the relevant municipal government agencies; and facilitated numerous management and stakeholder meetings.

#### **Midwestern Electric/Gas Utility |**

Provided research and consulting support to establish performance metrics and benchmarks from peer group companies for the client's performance management system.

#### **Midwestern Energy Company |**

For a Midwestern energy company, Mr. Amen was responsible for marketing, customer service, gas distribution system construction, operation and maintenance, for a regional operating service territory of the company's gas utility. Among other gas operations responsibilities, Mr. Amen managed a field sales force responsible for sales plan development, including market analysis, program design, and cost-effectiveness evaluations for the following customer segments and/or trade alley groups: residential home builders and commercial developers; HVAC contractors; large commercial and industrial key accounts; public institutions; and governmental facilities.

Business Process Redesign and Organizational Restructuring – While serving in the aforementioned utility management capacity as Regional Director, Mr. Amen managed the successful integration of an acquired gas utility company into a regional operation.

Re-engineering Operations – Mr. Amen was a member of a management team that restructured the company’s field organization into six regional operations (reduced from 26 district offices) resulting in a streamlined organization, which provided enhanced customer service while substantially reducing operating costs. The nine core management team members facilitated the work of over forty individual study groups during the eighteen-month transition period. This same management team redesigned the capital budgeting process and established new standards governing the use of construction contractors.

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## **EXPERT WITNESS TESTIMONY PRESENTATION**

- Alaska Regulatory Commission
- Arkansas Public Service Commission
- British Columbia Utility Commission (Canada)
- Connecticut Department of Public Utility Control
- Delaware Public Service Commission
- Illinois Commerce Commission
- Indiana Utility Regulatory Commission
- Massachusetts Department of Utilities
- Minnesota Public Utilities Commission
- Missouri Public Service Commission
- New Brunswick Energy and Utilities Board (Canada)
- Oklahoma Corporation Commission
- Oregon Public Utility Commission
- Pennsylvania Public Utility Commission
- Washington Utilities and Transportation Commission
- Federal Energy Regulatory Commission

## **PROFESSIONAL HISTORY**

### **Black & Veatch Corporation (Present)**

Director

### **Concentric Energy Advisors, Inc. (2007 – 2013)**

Vice President

### **Navigant Consulting, Inc. (1997 – 2007)**

Director

### **Puget Sound Energy, Inc. (1997)**

Manager – Federal Regulatory Affairs

### **Washington Natural Gas Company (1993 – 1997)**

(merged with Puget Power and Light to form Puget Sound Energy in 1997)

Director – Rates and Tariffs

### **Indiana Energy (now Vectren) (1984 – 1993)**

Regional Director – Distribution Operations

Director – Rates

### **Ohio Valley Gas Corporation (1978 – 1984)**

Data Processing Manager

Assistant District Manager – Distribution Operations

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## **SELECTED PUBLICATIONS/PRESENTATIONS**

- “Enhancing the Profitability of Growth,” American Gas Association, Rate and Regulatory Issues Seminar, April 4 - 7, 2004
- “Regulatory Treatment of New Generation Resource Acquisition: Key Aspects of Resource Policy, Procurement and New Resource Acquisition,” Law Seminars International, Managing the Modern Utility Rate Case, February 17 - 18, 2005
- “Managing Regulatory Risk – The Risk Associated with Uncertain Regulatory Outcomes,” Western Energy Institute, Spring Energy Management Meeting, May 18 - 20, 2005
- “Capital Asset Optimization – An Integrated Approach to Optimizing Utilization and Return on Utility Assets,” Southern Gas Association, July 18 - 20, 2005
- “Resource Planning as a Cost Recovery Tool,” Law Seminars International, Utility Rate Case Issues & Strategies, February 22 - 23, 2007
- “Natural Gas Infrastructure Development and Regulatory Challenges,” Southeastern Association of Regulatory Utility Commissioners, Annual Conference, June 4 – 6, 2007
- “Resource Planning in a Changing Regulatory Environment,” Law Seminars International, Utility Rate Cases – Current Issues & Strategies, February 7 - 8, 2008
- “Natural Gas Distribution Infrastructure Replacement,” American Gas Association, Rate Committee Meeting and Regulatory Issues Seminar, April 11 – 13, 2010
- “Building a T&D Investment Program to Satisfy Customers, Regulators and Shareholders,” SNL Webinar, March 27, 2014
- “Utility Infrastructure Replacement; Trends in Aging Infrastructure, Replacement Programs and Rate Treatment,” Large Public Power Council, Rates Committee Meeting, August 14, 2014