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Québec, le 2 novembre 2010

Me Véronique Dubois  
Secrétaire  
RÉGIE DE L'ÉNERGIE  
Tour de la Bourse, C.P. 001  
800, Place Victoria, 2<sup>e</sup> étage, bureau 255  
Montréal (Québec) H4Z 1A2

OBJET: Dossier : R-3740-2010  
Demande relative à l'établissement des tarifs d'électricité pour  
l'année tarifaire 2011-2012  
N/ D : 1041776

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Chère Consoeur,

Conformément à la décision D-2010-122 fixant au 8 novembre 2010 la date de dépôt des demandes de reconnaissance des témoins experts, nous demandons à la Régie de reconnaître comme tel monsieur Robert D. Knecht.

**Nom et coordonnées**

Robert D. Knecht  
Industrial Economics, Incorporated  
2067 Massachussets avenue  
Cambridge, MA 02140

**Qualification demandée**

Expert en tarification de l'électricité, répartition des coûts et interfinancement.



**Mandat confié:**

- Mise à jour du suivi des impacts des variations tarifaires annuelles sur l'interfinancement entre catégories de consommateurs.
- Étude de certains aspects des modifications entreprises relativement à la structure du tarif « M » et des inter-relations entre les tarifs « M » et « L ».
- Étude des mécanismes pouvant être utilisés par les organismes de régulation pour obvier à l'absence de prévisibilité des charges de retraite.

**Rémunération demandée**

250 \$/hre.

Le curriculum vitae de M. Knecht et la description de son expérience sont joints en annexe à la présente lettre.

Veuillez agréer, chère consœur, l'expression de nos sentiments distingués.

**STEIN MONAST s.e.n.c.r.l.**

**PIERRE PELLETIER**

PP/Im  
c.c. Me Éric Fraser, Hydro-Québec  
Les intervenants



INDUSTRIAL ECONOMICS, INCORPORATED

ROBERT D. KNECHT

Robert D. Knecht specializes in the practical application of economics, finance and management theory to issues facing public and private sector clients. Mr. Knecht has more than thirty years of consulting experience, focusing primarily on the energy, metals, and mining industries. He has consulted to industry, law firms, and government clients, both in the U.S. and internationally. He has participated in strategic and business planning studies, project evaluations, litigation and regulatory proceedings and policy analyses. His practice currently focuses primarily on utility regulation, and he has provided analysis and expert testimony in numerous U.S. and Canadian jurisdictions. In addition, as Treasurer of IEc since 1995, Mr. Knecht is responsible for the firm's accounting, finance and tax planning, as well as administration of the firm's retirement plans. Mr. Knecht's consulting assignments include the following projects:

- For the Pennsylvania Office of Small Business Advocate, Mr. Knecht provides analysis and expert testimony in industry restructuring, base rates and purchased energy cost proceedings involving electric, steam and natural gas distribution utilities. Mr. Knecht has analyzed the economics and financial issues of electric industry restructuring, stranded cost determination, fair rate of return, claimed utility expenses, cost allocation methods and rate design issues.
- For independent power producers and industrial customers in Alberta, Mr. Knecht has provided analysis and expert testimony in a variety of electric industry proceedings, including industry restructuring, cost unbundling, stranded cost recovery, transmission rate design, cost allocation and rate design.
- For industrial customers in Québec, Mr. Knecht has prepared economic analysis and expert testimony in regulatory proceedings regarding cost allocation, compliance with legislative requirements for cross-subsidization, and rate design.
- As a participant on various international teams of experts, Mr. Knecht has prepared the economic and financial analysis for industry restructuring studies involving the steel and iron ore industries in Venezuela, Poland, and Nigeria.
- For the U.S. Department of Justice and for several private sector clients, Mr. Knecht has prepared analyses of economic damages in a variety of litigation matters, including ERISA discrimination, breach of contract, fraudulent conveyance, natural resource damages and anti-trust cases.
- Mr. Knecht participates in numerous projects with colleagues at IEc preparing economic and environmental analyses associated with energy and utility industries for the U.S. Environmental Protection Agency.

Mr. Knecht holds a M.S. in Management from the Sloan School of Management at M.I.T., with concentrations in applied economics and finance. He also holds a B.S. in Economics from M.I.T. Prior to joining Industrial Economics as a principal in 1989, Mr. Knecht worked for seven years as an economic and management consultant at Marshall Bartlett, Incorporated. He also worked for two years as an economist in the Energy Group of Data Resources, Incorporated.

Industrial Economics, Incorporated

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## EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2005 TO 2010

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-2010-2167797	Pennsylvania Public Utility Commission	T.W. Phillips Gas & Oil Company	July 2010	Pennsylvania Office of Small Business Advocate	Cost allocation, rate design, purchase of receivables, rate of return
R-2010-2172933, R-2010-2172922, R-2010-2172928	Pennsylvania Public Utility Commission	UGI Utilities (Gas Division), UGI Central Penn Gas UGI Penn Natural Gas	July 2010	Pennsylvania Office of Small Business Advocate	Purchased gas costs, unaccounted-for gas, retainage
NBEUB 2010-002	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	June 2010	New Brunswick Public Intervenor	Cost allocation, rate design, deferral costs
R-2010-2161694	Pennsylvania Public Utility Commission	PPL Electric Utilities	June 2010	Pennsylvania Office of Small Business Advocate	Cost allocation, rate design, purchase of receivables
R-2010-2161920	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	June 2010	Pennsylvania Office of Small Business Advocate	Purchased gas costs, retainage rates, gas price forecasting
R-2009-2149262	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2010	Pennsylvania Office of Small Business Advocate	Cost allocation, rate design, rate of return
P-2009-2145498	Pennsylvania Public Utility Commission	UGI Utilities (Gas Division)	April 2010	Pennsylvania Office of Small Business Advocate	Merchant function charge, purchase of receivables
R-2010-2157062	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2010	Pennsylvania Office of Small Business Advocate	Purchased gas costs
NBEUB 2009-017	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	March 2010	New Brunswick Public Intervenor	Cost allocation, deferral costs
R-2009-2139884	Pennsylvania Public Utility Commission	Philadelphia Gas Works	March 2010	Pennsylvania Office of Small Business Advocate	Revenue requirement, cost allocation, rate design, DSM program
R-2010-2150861	Pennsylvania Public Utility Commission	National Fuel Gas Distribution	March 2010	Pennsylvania Office of Small Business Advocate	Purchased gas costs

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DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-2009-2145441	Pennsylvania Public Utility Commission	T.W. Phillips Gas & Oil Company	March 2010	Pennsylvania Office of Small Business Advocate	Purchased gas costs, unaccounted-for gas, retainage
P-2010-2099333	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	February 2010	Pennsylvania Office of Small Business Advocate	Purchase of receivables
R-3708-2009	Régie de l'Énergie, Québec	Hydro Québec Distribution	November 2009	AQCIE/CIFQ	Post-patrimonial generation cost allocation, revenue allocation
M-2009-2123944, 2123948, 2123950, 2123951	Pennsylvania Public Utility Commission	PECO, Duquesne Light, Metropolitan Edison, Pennsylvania Electric, Penn Power, West Penn Power	October, November 2009	Pennsylvania Office of Small Business Advocate	Smart Meter Cost Allocation and Rate Design
NBEUB 2009-006	New Brunswick Energy & Utilities Board	Enbridge Gas New Brunswick	September 2009	New Brunswick Public Intervenor	Development Period Criteria
M-2009-2092222, 2121952, 2112956, 2093218, 2093217, 2093215	Pennsylvania Public Utility Commission	Metropolitan Edison, Pennsylvania Electric, Penn Power, West Penn Power, Duquesne Light, PPL Electric	August 2009	Pennsylvania Office of Small Business Advocate	Energy efficiency and conservation programs, cost allocation, rate design
1604944; ID# 184	Alberta Utilities Commission	ATCO Gas	July 2009	Rate 13 Group	Cost allocation, rate design
R-2009-2105904, 909, 911	Pennsylvania Public Utility Commission	UGI Penn Natural Gas, UGI Central Penn Gas, UGI Utilites Inc. Gas Division	July 2009	Pennsylvania Office of Small Business Advocate	Gas supply procurement hedging, unaccounted-for gas, revenue sharing mechanisms
R-2009-2093219	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2009	Pennsylvania Office of Small Business Advocate	Revenue sharing mechanisms, retainage rate, gas procurement
R-2008-2079660	Pennsylvania Public Utility Commission	UGi Penn Natural Gas	May 2009	Pennsylvania Office of Small Business Advocate	Equity cost of capital, cost allocation, rate design

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DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-2008-2079675	Pennsylvania Public Utility Commission	UGI Central Penn Gas	May 2009	Pennsylvania Office of Small Business Advocate	Equity cost of capital, cost allocation, rate design
R-2008-2075250	Pennsylvania Public Utility Commission	T. W. Phillips Gas & Oil	April 2009	Pennsylvania Office of Small Business Advocate	Retainage rates
R-2009-2088076	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2009	Pennsylvania Office of Small Business Advocate	Gas procurement
R-2009-2083181	Pennsylvania Public Utility Commission	National Fuel Gas Distribution	March 2009	Pennsylvania Office of Small Business Advocate	Retainage rates, gas procurement
P-2008-2060309	Pennsylvania Public Utility Commission	PPL Electric Utilities	December 2008	Pennsylvania Office of Small Business Advocate	Default electric supply procurement
R-2008-2073938	Pennsylvania Public Utility Commission	Philadelphia Gas Works	December 2008	Pennsylvania Office of Small Business Advocate	Revenue requirement, financial cash flows, cost allocation, rate design.
P-2008-2044561	Pennsylvania Public Utility Commission	Pike County Light & Power	October 2008	Pennsylvania Office of Small Business Advocate	Electric default service procurement
R-3673-2008	Régie de l'Énergie, Québec	Hydro Québec Distribution	August 2008	AQCIE/CIFQ	Electric supply contract modifications.
1550487	Alberta Utilities Commission	ENMAX Power Corporation	July 2008	D410 Group	Formula-based (performance-based) ratemaking; ratepayer-supplied equity contributions.
R-2008-2039417 et al.	Pennsylvania Public Utility Commission	UGI Utilities (Gas Division)	July 2008	Pennsylvania Office of Small Business Advocate	Design day demand forecast.
R-2008-2039284	Pennsylvania Public Utility Commission	UGI Penn Natural Gas	July 2008	Pennsylvania Office of Small Business Advocate	Revenue sharing, gas supply costs.
R-2008-2039634	Pennsylvania Public Utility Commission	PPL Gas Utilities	July 2008	Pennsylvania Office of Small Business Advocate	Lost and unaccounted-for gas, gas supply costs.

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DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
A-2008-2034045	Pennsylvania Public Utility Commission	UGI Utilities, PPL Gas Utilities	June 2008	Pennsylvania Office of Small Business Advocate	Public benefits of proposed sale.
R-2008-2011621	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2008	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design.
R-2008-2028039	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2008	Pennsylvania Office of Small Business Advocate	Gas supply cost functionalization; cost reconciliation method, sharing mechanisms.
R-3648-2007	Régie de l'Énergie, Québec	Hydro Québec Distribution	April 2008	AQCIE/CIFQ	Electric supply contract modifications.
R-2008-2021348	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2008	Pennsylvania Office of Small Business Advocate	Sharing mechanisms, gas supply contracts.
R-2008-2012502	Pennsylvania Public Utility Commission	National Fuel Gas Distribution Company	March 2008	Pennsylvania Office of Small Business Advocate	Transportation and sales customer rate design, design day forecasts.
R-2008-2013026	Pennsylvania Public Utility Commission	T.W. Phillips Gas and Oil Company	March 2008	Pennsylvania Office of Small Business Advocate	Rate design treatment of capacity release revenues.
P-00072342	Pennsylvania Public Utility Commission	West Penn Power d/b/a Allegheny Power	February 2008	Pennsylvania Office of Small Business Advocate	Default service electricity procurement, rate design, reconciliation.
2007-004	New Brunswick Board of Commissioners of Public Utilities	New Brunswick Power Distribution and Customer Service Corporation	November 2007	New Brunswick Public Intervenor	Cost allocation, revenue allocation, rate design.
R-3644-2007	Régie de l'Énergie, Québec	Hydro Québec Distribution	October 2007	AQCIE/CIFQ	Cost allocation, revenue allocation, rate design.
P-00072305	Pennsylvania Public Utility Commission	Pennsylvania Power Corporation	July 2007	Pennsylvania Office of Small Business Advocate	Default electric service procurement.

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R-00072334	Pennsylvania Public Utility Commission	UGI Penn Natural Gas, Inc.	July 2007	Pennsylvania Office of Small Business Advocate	Asset management arrangement, gas procurement.
R-00072333	Pennsylvania Public Utility Commission	PPL Gas Utilities Corporation	July 2007	Pennsylvania Office of Small Business Advocate	Design day forecasting, gas procurement.
R-00072155	Pennsylvania Public Utility Commission	PPL Electric Utilities Corporation	July 2007	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design, energy efficiency.
R-00049255 (Remand)	Pennsylvania Public Utility Commission	PPL Electric Utilities Corporation	May 2007	Pennsylvania Office of Small Business Advocate	Revenue allocation.
R-00072175	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania, Inc.	May 2007	Pennsylvania Office of Small Business Advocate	Gas procurement.
R-00072110	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2007	Pennsylvania Office of Small Business Advocate	Gas procurement, margin sharing mechanisms.
R-00061931	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2007	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, retail gas competition.
P-00072245	Pennsylvania Public Utility Commission	Pike County Light & Power Company	March 2007	Pennsylvania Office of Small Business Advocate	Default service procurement, rate design.
R-00072043	Pennsylvania Public Utility Commission	National Fuel Gas Distribution Company	March 2007	Pennsylvania Office of Small Business Advocate	Design day requirements.
C-20065942	Pennsylvania Public Utility Commission	Pike County Light & Power Company	November 2006	Pennsylvania Office of Small Business Advocate	Wholesale power procurement by provider of last resort.
R-3610-2006	Régie de l'Énergie, Québec	Hydro Québec Distribution	November 2006	AQICIE/CIFQ	Post-patrimonial generation cost allocation; cross-subsidization; rate design.
P-00052188	Pennsylvania Public Utility Commission	Pennsylvania Power Company	September 2006	Pennsylvania Office of Small Business Advocate	Affidavit: POLR rates, wholesale to retail.
R-00061493	Pennsylvania Public Utility Commission	National Fuel Gas Distribution Corporation	September 2006	Pennsylvania Office of Small Business Advocate	Rate of return, load forecasting, cost allocation, revenue allocation, rate design, revenue decoupling.



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DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-00061398	Pennsylvania Public Utility Commission	PPL Gas Utilities Corporation	August 2006	Pennsylvania Office of Small Business Advocate	Cost allocation, revenue allocation, rate design.
R-00061365	Pennsylvania Public Utility Commission	PG Energy/Southern Union Company	July 2006	Pennsylvania Office of Small Business Advocate	Merger savings, cost allocation, revenue allocation, rate design.
R-00061519	Pennsylvania Public Utility Commission	PPL Gas Utilities Corporation	July 2006	Pennsylvania Office of Small Business Advocate	Design day weather and throughput forecasts; gas supply hedging.
R-00061518	Pennsylvania Public Utility Commission	PG Energy/Southern Union Company	July 2006	Pennsylvania Office of Small Business Advocate	Design day weather and throughput forecasts; gas supply hedging.
A-125146	Pennsylvania Public Utility Commission	UGI Utilities, Inc., Southern Union Company	June 2006	Pennsylvania Office of Small Business Advocate	Public benefits of proposed sale of PG Energy to UGI; asset management agreement.
R-00061355	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2006	Pennsylvania Office of Small Business Advocate	Gas supply and hedging plan; procedural issues
R-00061296	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2006	Pennsylvania Office of Small Business Advocate	Gas procurement and procedural issues.
R-00061246	Pennsylvania Public Utility Commission	National Fuel Gas Distribution	March 2006	Pennsylvania Office of Small Business Advocate	Gas procurement; unaccounted for gas retention rates.
2005-002 Refiling	New Brunswick Board of Commissioners of Public Utilities	New Brunswick Power Distribution and Customer Service Company	February 2006	New Brunswick Public Intervenor	Cost allocation, rate design.
P-00052188	Pennsylvania Public Utility Commission	Pennsylvania Power Company	December 2005	Pennsylvania Office of Small Business Advocate	Cost allocation and rate design for POLR supplies.
R-3579-2005	Régie de l'Énergie, Québec	Hydro Québec Distribution	November 2005	AQCIE/CIFQ	Generation cost allocation; cross-subsidization; revenue allocation.
2005-002	New Brunswick Board of Commissioners of Public Utilities	New Brunswick Power Distribution and Customer Service Company	August 2005	New Brunswick Public Intervenor	Cost allocation, rate design.
R-00050538	Pennsylvania Public Utility Commission	PG Energy	July 2005	Pennsylvania Office of Small Business Advocate	Gas procurement diversification.



INDUSTRIAL ECONOMICS, INCORPORATED

ROBERT D. KNECHT

EXPERT TESTIMONY SUBMITTED IN REGULATORY PROCEEDINGS: 2005 TO 2010

DOCKET #	REGULATOR	UTILITY	DATE	CLIENT	TOPICS
R-00050540	Pennsylvania Public Utility Commission	PPL Gas Utilities Corporation	July 2005	Pennsylvania Office of Small Business Advocate	Gas procurement, hedging, retention rates, sharing mechanism.
R-00050340	Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	May 2005	Pennsylvania Office of Small Business Advocate	Gas procurement, hedging and diversification.
R-3563-2005	Régie de l'Énergie, Québec	Hydro Québec Distribution	April 2005	AQCIE/CIFQ	Generation cost allocation; industrial demand response.
R-00050264	Pennsylvania Public Utility Commission	Philadelphia Gas Works	April 2005	Pennsylvania Office of Small Business Advocate	Gas procurement, risk hedging, financing costs in the gas cost rate.
R-00050216	Pennsylvania Public Utility Commission	National Fuel Gas Distribution	March 2005	Pennsylvania Office of Small Business Advocate	Gas supply procurement and forward pricing policies.
EB-2004-0542	Ontario Energy Board	Union Gas Limited	March 2005	Tribute Resources Inc.	Cost allocation and rate design for service to embedded storage pools.
R-00049884	Pennsylvania Public Utility Commission	Pike County Light and Power (Gas Service)	January 2005	Pennsylvania Office of Small Business Advocate	Fair rate of return, cost allocation, class revenue assignment.

July 2010

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