



48th FINANCIAL FORUM

An Eye Towards the Future

April 28 – April 29, 2016

Speaker Bios

Hilton Indianapolis Hotel & Suites

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Lawrence Thomas Oliver (Tommy)

Deputy Director, Division of Utility Accounting and Finance
Virginia State Corporation Commission

Tommy Oliver is currently serving as Deputy Director in the Division of Utility Accounting and Finance and has been in this position for over 15 years. His current job involves supervising and training a professional staff primarily responsible for testifying as expert witnesses on cost of capital, capital structure and other financial issue involving utilities. Tommy has provided testimony on financial topics in over 100 cases before the Virginia State Corporation Commission. In addition, Tommy has worked on cases before the Securities and Exchange Commission and the Federal Energy Regulatory Commission.

Tommy received his BBA from James Madison University and his MBA from Virginia Commonwealth University. Tommy is a faculty member and coordinator of the National Association of Regulatory Utility Commissioners' utility rate school. He has been awarded the professional designation of Certified Rate of Return Analyst and is current President of the Society of Utility and Regulatory Financial Analysts.

Barbara Smith

Executive Director of Technical Operations
Office of Utility Consumer Counselor

Barbara Smith received a Bachelors of Science degree in Business Information Systems from Indiana Wesleyan University with Magna Cum Laude honors. She was employed by Vectren Energy Delivery from 1987 – 2006 in various capacities. Her management responsibilities included planning installation of new natural gas pipelines, development, implementation and support of the Geographic Information System (GIS) mapping, capital work order systems, outage management system and storm outage support. Barbara also has earned an Associate's Certificate in Project Management through George Washington University.

Barbara began her career at the OUCC as a Utility Analyst in 2006. She was promoted to Director over the Resource Planning and Communications Division in 2009 where she led and managed a variety of cases including demand side management, renewables and requests for environmental control approval and cost recovery. In August 2015 Barbara was promoted to her current position as Executive Director, Technical Operations where she oversees the OUCC technical divisions to ensure the implementation of the Agency's mission. Barbara acts as an OUCC negotiator in complex cases. She also serves as a member of the OUCC's Executive team.

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Jim Hempstead

Associate Managing Director
Global Project & Infrastructure Finance
Moody's Investors Services

Jim Hempstead is currently an Associate Managing Director in the Global Project and Infrastructure Finance Group. Jim joined Moody's in 2002. He is responsible for managing a portion of the US Utilities tea, and covers a small portfolio of U.S.-based electric and natural gas utility companies limited and unregulated power companies. Prior to joining Moody's, Jim spent approximately four years with Merrill Lynch & Co., working in the Global Energy & Power Group, and provided financial and advisory services to electric, natural gas distribution, interstate pipeline, energy merchant, water and energy technology companies. Prior to joining Merrill Lynch, Jim spent approximately four years with Salomon Smith Barney Corporate Finance, working in their Global Energy & Power Group. Jim graduated with a B.S. B.A. from Villanova University and an M.B.A. from Fordham University. Jim is a member of the Wall Street Utility Group, a board member for the Society of Utility and Regulatory Financial Analysts and serves on the Advisory Council for the Electric Power Research Institute.

John Lonski

Chief Capital Market Economist
Moody's Analytics

John Lonski is Managing Director and Chief Financial Markets Economist of Moody's Analytics. His comments on credit market conditions and the business cycle appear daily in Moody's CreditTrends and weekly in the Weekly Market Outlook publication of Moodys.com.

A member of Blue Chip panel of economic forecasters, Mr. Lonski participates in a number of other forecasting surveys among which are those conducted by the Wall Street Journal, Bloomberg News, and Reuters, as well as the Philadelphia Federal Reserve's Survey of Professional Forecasters.

John was cited as the most accurate forecaster during the four-years-ended 2013 by Blue Chip Economic Indicators and Arizona State University. Earlier, he was named top economic forecaster in the Wall Street Journal's survey of June 2004 and also was the leading prognosticator of high-yield bond spreads according to a Bloomberg survey.

Prior to joining Moody's in February 1985, John was employed by the National Economic Research Associates (NERA). John holds a B.S. degree from Rensselaer Polytechnic Institute and, except for the dissertation, completed all of the requirements for a Ph.D. in economics from Michigan State University.

John has appeared many times on CNBC, Fox Business News, Japan's NHK TV, Business News Network, and a number of other networks. He has been cited in a number of leading publications including Bloomberg News, the Wall Street Journal, Barron's, Dow Jones, the New York Times, Reuters, and the Financial Times, while also contributing a quarterly "op ed" piece for Japan's Nikkei Veritas.



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Stephen G. Hill, CRRRA
Principal
Hill Associates LLP

Mr. Hill is a Certified Rate of Return Analyst doing business as Hill Associates. He has testified in more than 275 regulatory proceedings over the past thirty years on cost of capital, financial, economic, and corporate governance issues related to regulated industries. He has provided testimony in electric, gas, telephone, and water utility rate proceedings as well as in proceedings related to utility diversification, deregulation, and management financial policy. In those cases, he has testified on behalf of consumer advocates, attorneys general and utility commissions. In addition, he has testified on cost of capital issues in auto, homeowners and workers' compensation insurance rate proceedings. Mr. Hill has also been an advisor to the Arizona Corporation Commission on matters of utility finance in bankruptcy proceedings. Mr. Hill has testified before many state and local regulatory bodies as well as before the Federal Communications Commission and the Federal Energy Regulatory Commission.

Prior to forming Hill Associates, Mr. Hill was employed as a rate of return analyst at the West Virginia Public Service Commission – Consumer Advocate's office, responsible for all rate of return research and testimony promulgated by the Consumer Advocate; as well as for testimony on engineering issues, when necessary. In addition, Mr. Hill was also employed at the West Virginia Air Pollution Control Commission, overseeing the compliance of all chemical companies in the State with the pollution guidelines set forth in the Clean Air Act.

Mr. Hill has authored "The Market Risk Premium and the Proper Interpretation of Historical Data," Proceedings of the Fourth NARUC Biennial Regulatory Information Conference, Volume I, "Use of the Discounted Cash Flow Has Not Been Invalidated," Public Utilities Fortnightly, March 31, 1988, and "Private Equity Buyouts of Public Utilities: Preparation for Regulators," National Regulatory Research Institute, Paper 07-11, December 2007.

He received a B.S. in Chemical Engineering from Auburn University and a M.B.A. in Finance from Tulane University. He continues his education through the NARUC Regulatory Studies Program at Michigan State University. He is a member of the American Institute of Chemical Engineers; Society of Utility and Regulatory Financial Analysts (Certified Rate of Return Analyst, Member of the Board of Directors, Currently Vice President).

Roger Grabowski
Managing Director
Duff & Phelps LLC

Roger J. Grabowski, FASA, is a Managing Director with Duff & Phelps LLC and an Accredited Senior Appraiser and Fellow (FASA) of the American Society of Appraisers (ASA) (their highest designation), Business Valuation.

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He was formerly Managing Director of the Standard & Poor's Corporate Value Consulting practice, a partner of PricewaterhouseCoopers LLP and one of its predecessor firms, Price Waterhouse (where he founded its U.S. Valuation Services practice and managed the real estate appraisal practice).

He has directed valuations of businesses, interests in businesses, intellectual property, intangible assets, real property and machinery and equipment. Roger has been recognized in various courts as an expert on matters of solvency, the value of closely held businesses and business interests, valuation and amortization of intangible assets and other valuation issues. His testimony in U.S. District Court was referenced in the U.S. Supreme Court opinion decided in his client's favor in the landmark *Newark Morning Ledger* case.

Roger is co-author with Shannon Pratt of [*Cost of Capital: Applications and Examples*, 5th ed. \(John Wiley & Sons, 2014\)](#), *The Lawyer's Guide to Cost of Capital* (ABA, 2014), and *Cost of Capital in Litigation: Applications and Examples* (John Wiley & Sons, 2010). He is co-author of the Duff & Phelps annual resources for cost of capital data: *Valuation Handbook-Guide to Cost of Capital*, *Valuation Handbook-Industry Cost of Capital*, *International Valuation Handbook – Guide to Cost of Capital* and *International Valuation Handbook – Industry Cost of Capital* (John Wiley & Sons).

Roger teaches courses for the American Society of Appraisers including *Cost of Capital*, a course he developed.

Robert Camfield

Vice President

Laurits R. Christensen Associates, Inc.

Robert Camfield is a regulatory economist whose work has covered an array of wholesale and retail energy market issues including cost allocation, performance benchmarking, tariff design, rate of return and capital valuation, incentive regulation, and market forecasting. He has represented and testified on behalf of integrated electricity utilities, gas distributors, cooperatives, regulatory agencies, utility associations, electric distribution companies, transmission companies, and generation companies in regulatory proceedings and public forums on a number of topics including phase-in plans, load forecasts, corporate performance and performance-based regulation, impacts of transmission congestion, cost tracking mechanisms, and integrated resource plans. Robert has served on national committees and advised boards of trustees and major electricity service providers on corporate strategy. He has contributed to the *Electricity Journal* and authored sections of published materials with respect to electricity market restructuring. Prior to joining Christensen Associates, Robert served in the capacity of system economist for Southern Company and chief economist for the New Hampshire Public Utilities Commission. He has published articles in *The Electricity Journal*, CIGRE (International Council on Large Electric Systems), and IEEE Transactions on Power Systems, and has contributed sections to books and other published articles. Robert



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served as program director for the Edison Electric Institute's Transmission and Wholesale Markets School from 1999 through 2008.

He holds an M.A. in economics from Western Michigan University and is a graduate of Interlochen Arts Academy.

Enrique Bacalao, CRRA
Managing Principal
Bacalao Consulting Practice

Enrique Bacalao recently retired after nearly 40 years of corporate finance and banking experience. From 1998 to 2013, Mr. Bacalao was Assistant Treasurer of Alliant Energy Corporation, a public utilities holding company with two regulated operating company subsidiaries serving the upper Midwest. In this capacity, he was responsible for acquiring capital funds through securities issuance and other long- and short-term financing transactions.

Mr. Bacalao has provided testimony as an expert witness on behalf of both utility companies on cost of capital and capital structure in contested regulatory proceedings in Iowa, Wisconsin, Minnesota and Illinois, and before the Federal Energy Regulatory Commission. He also contributed comments regarding proposed rulemaking on shelf registrations to the Securities and Exchange Commission.

Prior to that, he served in various investment and corporate banking positions with Bank of America and The Industrial Bank of Japan, in London and subsequently in Chicago, and as a management consultant with Booz, Allen & Hamilton.

Mr. Bacalao holds an MBA in Corporate Finance, Banking and International Business, and a BA in Economics, both from Columbia University. He is a registered securities dealer and a board member of the Society of Utility and Regulatory Financial Analysts (SURFA), under which he qualified as a Certified Rate of Return Analyst in 2008. He has taught financial management courses at both graduate and undergraduate levels, and is an adjunct faculty member at the University of Wisconsin-Milwaukee and IE Business School in Madrid. He has co-authored chapters on cost of capital in regulated industries.

David Murray
Utility Regulatory Manager, Financial Analysis
Missouri Public Service Commission

Utility Regulatory Manager of the Financial Analysis Unit for the Missouri Public Service Commission (Commission) since 2008. David previously held various levels of technical positions in the Financial Analysis Unit with the primary area of responsibility being financial analysis, cost of capital estimation and rate of return testimony. Before 2000 he was employed by the Missouri Department of Insurance in a regulatory position primarily involved in the regulation of workers' compensation insurance.



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David achieved the Chartered Financial Analyst (CFA) designation in 2010. In May 1995 he earned his Bachelor of Science degree in Business Administration with an emphasis in Finance and Banking, and Real Estate from the University of Missouri-Columbia. In December 2003 he earned his Master's in Business Administration from Lincoln University. David earned his CRRA when he became a member of SURFA in April 2007.

David got his first and only hole-in-one on September 11, 2004.

Leslie Rich
Managing Director
Equity Analyst

Leslie Rich has covered the electric utility sector as an equity analyst since 1998. She joined JP Morgan Asset Management in 2010 and assists the domestic and global portfolio managers with their stock selections in the utility industry.

Prior to JP Morgan, Ms. Rich worked at Columbia Management for 8 years as a research analyst in a similar capacity. She was also the co-manager of a utility and telecommunications mutual fund for Evergreen Investment Management Company earlier in the decade. Ms. Rich started her investment career in 1993 at Neuberger Berman where she was promoted to cover the electric utility and natural gas pipeline sectors as an equity analyst.

Ms. Rich earned a bachelor's degree in management and computer science from Boston College. She also holds the Chartered Financial Analyst (CFA) designation. She is a member of the New York Society of Security Analysts, the CFA Institute, the Wall Street Utility Group, and the Women's Council on Energy and the Environment.

Greg Gordon
Senior Managing Director
Evercore ISI Intuitional Equities

Greg Gordon is a Senior Managing Director and Head of Power & Utilities Research. Since 2004 Mr. Gordon has been ranked one of the top analysts in his field, most recently ranking runner-up on the 2015 Institutional Investor All-America Research Team. Prior to joining Evercore ISI, Mr. Gordon led the Power & Utilities research effort at Morgan Stanley after spending almost 7 years at Citigroup, also building their coverage of the Power & Utilities. Prior to Citigroup, Mr. Gordon covered the power industry at Goldman Sachs and CIBC World Markets, Inc. Additionally, he worked at Regulatory Research Associates, where he analyzed regulatory issues and developments in the electric, gas, and telecommunications industries.

Mr. Gordon received his B.A. in Economics from Drew University. He is a CFA charterholder.



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Samuel D. Brothwell, CPA
Senior Research Analyst
Energy Income Partners

Sam Brothwell is a Senior Research Analyst covering pipeline and utility companies with Energy Income Partners, a Westport, CT-based investment advisory company with \$5.9 billion of assets under management. Previously, Sam headed utility research at Bloomberg LP and assisted in the restructuring of Salt Lake City-based Questar Corporation as Vice President, Corporate Planning and Investor Relations. From 1997-2009 Sam covered the global electricity and natural gas industries as a senior equity analyst with Wells Fargo/Wachovia Capital Markets, LLC, and Merrill Lynch in New York. Sam also followed the US and Latin American electric utilities as a credit research with Moody's Investors Service. He began his energy career as a Financial Analyst with PNM Resources in Albuquerque. Sam is a CPA, a 1983 graduate of the University of New Mexico, and has participated in the Aspen Institute's Energy forums since 2006.

Mark Cicchetti
Chief of Finance, Tax & Cost Recovery
Florida Public Service Commission

Mark Cicchetti is the Chief of Finance, Tax, and Cost Recovery at the Florida Public Service Commission where his responsibilities include advising the Commission on all matters financial and economic and testifying as an expert witness. Prior to joining the Florida Commission, Mr. Cicchetti spent 10 years as a Project Manager and Senior Consultant with C.H. Guernsey & Co. where his responsibilities included providing expert testimony, economic and financial analyses, and merger and acquisition analyses. Mr. Cicchetti has been involved in utility regulation for thirty-four years. He has testified in numerous rate cases on a variety of subjects, including, but not limited to, the cost of equity, capital structure, regulatory theory, industry structure, corporate structure, the credit and capital markets, incentive regulation, and the establishment of the leverage formula for water and wastewater utilities in Florida. Mr. Cicchetti has a BS in Business Administration and an MBA in Finance, both from Florida State University. Mr. Cicchetti received the Certified Rate of Return Analyst (CRRRA) designation in 1992 and has served as SURFA President, Treasurer/Secretary, and board member.

Robert Keyton
Financial Analyst
Federal Energy Regulatory Commission

At the FERC since March 2008, Mr. Keyton works as a financial analyst in the Office of Administrative Law where he analyzes cost of capital issues in natural gas and electric proceedings that the Commission sets for hearing or settlement. Before working at the FERC, Mr. Keyton worked at the PA Public Utility Commission from August 2006 to February 2008 as a Financial Analyst. Mr. Keyton graduated from Temple University in 2004 with a BBA in Actuarial Science.

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David Parcell

President

Technical Associates Incorporated

David Parcell is President of Technical Associates, Inc. an economic and financial consulting firm located in Richmond, Virginia. Mr. Parcell has testified nationally on capital costs, rates of return and other matters pertinent to the determination of adequate and inadequate levels of investment and business profitability. As a co-founder of Technical Associates in 1969, Mr. Parcell has directed most of the firm's work with respect to mergers and acquisitions project financial feasibility, and economic impact assessments. Mr. Parcell has been qualified as an expert witness regarding these and associated topics on more than 600 occasions in over 30 states and several Canadian provinces.

Mr. Parcell is a founding member of the certified rate of return analyst examination program administered by the Society of Utility and Regulatory Financial Analysts and currently acts as the Certified Rate of Return Analyst (CRRA) exam coordinator. The Cost of Capital - A Practitioner's Guide authored by Mr. Parcell is the study reference recommended to applicants seeking to qualify for the designation of CRRA.

Paul R. Moul

Managing Consultant

P. Moul & Associates

Paul Moul is Managing Consultant at P. Moul & Associates, an independent financial and regulatory consulting firm. Paul has consulted to the public utility industry for forty-two years. He has testified in over three hundred rate cases as an expert witness on rate of return and financial matters, as well as cash working capital, capital allocations, capital recovery, income taxes, and weather stabilization clauses. His testimony has been presented to thirty-seven (37) federal, state and municipal commissions on behalf of investor-owned and municipal utilities, and for the staff of a public utility commission.

Paul is a consultant to a wide variety of clients including electric utilities, natural gas distributors and pipelines, resource recovery, solid waste, telephone, water and wastewater utility companies. Paul has participated in a variety of generic proceedings before the FERC for the electric utilities, before the Interstate Commerce Commission for the railroad industry, and in the generic financing proceeding before the New York PSC. He was a member of the panel of participants at the Technical Conference at FERC on the Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity.

Paul was previously associated with AUS Consultants from 1974 through 1994, having concluded his employment at AUS as a Senior Vice President. Prior to joining AUS Consultants

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in 1974, Paul was employed by a consulting engineering firm and prior to that with American Water Works Service Company. He is a 1971 graduate of Drexel University.

Bente Villadsen
Principal
The Brattle Group

Dr. Bente Villadsen a principal at The Brattle Group's Cambridge office. She is an expert in regulatory finance with more than 15 years of experience in the utility regulatory matters. She has experience in electric, gas, pipeline, railroad, and water regulatory matters and has testified on cost of capital as well as regulatory accounting and credit issues for regulated entities. She is a frequent author and speaker on rate of return and regulatory accounting issues and has co-authored white for industry organizations and regulators; *e.g.*, the Edison Electric Institute, the Australian Pipeline Industry Association, the British Columbia Utilities Board, the Canadian Transportation Agency, and the National Association of Water Companies. Much of her recent work has focused on the impact of regulatory initiatives such as decoupling or riders and trackers on cash flow, credit metrics and the cost of capital. Dr. Villadsen also provides advice on utility M&A and risk management. She holds a Ph.D. from Yale University's School of Management and joint degree in mathematics and economics from University of Aarhus in Denmark.

Ken Costello
Principal Researcher
Regulatory Research Institute

Mr. Kenneth W. Costello is Principal Researcher, Energy and Environment, at the National Regulatory Research Institute. He has conducted extensive research and written widely on topics related to the energy industries and public utility regulation. His research has appeared in books, technical reports and monographs, and scholarly and trade publications. These publications include the Cato Journal, Electricity Journal, Energy Journal, Energy Law Journal, Public Utilities Fortnightly, Regulation, Resources and Energy, Utilities Policy and Yale Journal on Regulation. Mr. Costello has also provided training and consulting services to the countries of Argentina, Bolivia, Canada, the Central and Eastern European countries, China, Costa Rica, Egypt, Ghana, India, Jamaica, Japan, the Newly Independent States, and Russia. Topics of Mr. Costello's most recent research include methane emissions, R&D in the utility sector, vertical arrangements for gas procurement, the "death spiral" phenomenon, distributed electricity generation, recent developments in the U.S. electric industry, combined heat and power, the utility of the future, and the compatibility of utility ratemaking with regulatory objectives.

Mark Lowry
President
Pacific Economics Group

Mark Newton Lowry is the President of Pacific Economics Group ("PEG") Research LLC. He has been active in the field of regulatory economics for 25 years. Alternatives to traditional regulation such as performance-based regulation ("PBR"), revenue decoupling, and capital cost



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trackers are company specialties. He has done several projects on forward test years, including authorship of the Edison Electric Institute white paper Forward Test Years for US Electric Utilities. Econometric and index-based methodologies for forward test year cost forecasts are a specialty. Work for diverse clients that include utilities and regulators has given his practice a reputation for objectivity and dedication to good regulation. Before entering the consulting field, Dr. Lowry taught energy economics at the Pennsylvania State University. He holds a PhD in applied economics from the University of Wisconsin.