

DWIGHT D. ETHERIDGE

Mr. Etheridge is a principal at Exeter Associates, Inc. with twenty-three years of wide ranging experience in the electric utility industry. His areas of expertise include business plan development, industry restructuring, rate design, class cost-of-service studies, load forecasting, resource planning, transmission system evaluations, power procurement, distributed generation, telecommunications, and contract negotiations.

His management experience includes reporting to the CEO of a western utility during electric deregulation and a merger of two utilities, advising the CEO on many topics including regulatory issues, legislative negotiations, strategic focus, decision analysis, and merger integration. He also has substantial project management experience gained as a consultant and in various progressively more responsible leadership roles in utility management.

Mr. Etheridge has extensive experience developing analytical and strategic solutions on a variety of utility issues and communicating on those issues to regulatory commissions, legislatures, senior management, board of directors and the public. He has presented expert testimony on twenty-three occasions and has acted as a spokesperson numerous times on television, radio and in print.

Education:

B.S. (Business Administration) – University of California, Berkeley, 1985.

Previous Employment:

- 2004-2005 - Independent Strategy and Business Consultant
- 1999-2004 - Strategic Director, Sierra Pacific Resources and its Subsidiaries
- 1986-1999 - Nevada Power Company
 - Leader of the Industry Restructuring Team
 - Director, Pricing and Economic Analysis
 - Economist
 - Load Forecast Analyst

Professional Work:

Mr. Etheridge's work at Exeter Associates, Inc. has been focused in the following areas:

Analysis of eastern electricity markets, primarily in and around Pennsylvania, New Jersey, Maryland, and Virginia.

Development of electricity and renewable energy procurement plans and risk management strategies for the U.S. Department of Energy's (DOE) Northern California national laboratories.

Natural gas options analyses and development of models to project implied volatilities.

Review of utility procurement strategies for multiple U.S. Air Force bases in an effort to identify areas for potential utility cost savings.

Evaluating the need for new transmissions lines in the PJM market on behalf of the State of Maryland.

Provided analytical support to a southwestern municipal water and power utility in the areas of rate design, load forecasting, wholesale market modeling, and volatility analysis.

Review of the Regional Greenhouse Gas Initiative on behalf of an agency of the State of Maryland, and the development of technical memoranda on various carbon dioxide emissions related topics.

Development of multiple options studies for DOE facilities that address the power supply and transmission system capabilities of potential alternative suppliers for meeting DOE's long-term electrical requirements.

Review of utility procurement strategies and development of electric and natural gas long-term avoided cost projections for several of DOE's national laboratories

As an independent consultant, Mr. Etheridge:

Led an engagement for a western consulting firm to review the load forecasting methodologies and forward price curve models employed by a southwestern municipal water and power utility and to recommend improvements.

Led an engagement for a western consulting firm to develop rate design options for a southwestern municipal water and power utility. The rate design recommendation was designed to facilitate the implementation of operational strategies and the achievement of operational savings identified in a previous consulting engagement. It was also designed to accommodate additional electrical loads if other water municipalities decided to jointly participate in wholesale markets.

Worked with a team from an international consulting firm to support a Midwest utility's effort to ensure that its accounting and rates departments were prepared for the Midwest ISO's "Day 2" market opening scheduled for March 1, 2005. The project involved developing process flows of information required by the accounting and rates departments, and significant interaction with the corporate information technology department. The project also involved reviewing rates and regulatory strategies for potential changes under the Day 2 market rules.

Prepared a competitive analysis for a Midwest utility's unregulated subsidiary on behalf of an international consulting firm. The analysis focused on comparing the subsidiary's product and service offerings, and value propositions, against those of its competitors as well as evaluating the dynamics occurring within the various market segments.

Led an engagement for a western consulting firm to identify strategies for maximizing the savings potential of switching electricity suppliers for a southwestern municipal water and power utility. The economic analyses developed as part of the engagement identified multi-million dollar savings potential that could be achieved over ten years through changes in both suppliers and operational strategies. In addition, the client realized thousands in immediate savings from billing errors that were identified during the engagement, as well as the potential for hundreds of thousands in annual savings that could be realized through enforcement of the provisions of existing contracts.

Worked with a team from an international consulting firm to facilitate the development of a strategic plan for a western municipal power and water utility. The project included leading the utility's management team through an all-day planning session to develop divisional strategies consistent with the utility's mission statement.

As a strategic director for Sierra Pacific Resources, Mr. Etheridge:

Developed a forecasting model for power and gas prices that was capable of blending fundamentals-based power and gas price forecasts from multiple vendors while maintaining rational market implied heat rates as well as consistent relationships across various gas market centers and power trading hubs in the western U.S. The models enable forecasters to produce timely forecast updates as gas futures prices change or when vendors update their forecasts, while maintaining an easily audited trail of assumptions across forecast updates.

Developed sophisticated financial models to evaluate the ROI potential of distributed generation projects that might be deployed by large commercial and industrial customers. The models investigated gas-fired reciprocating engines and turbines, as well as multi-unit installations, varying performance characteristics and partial standby requirements. This project was undertaken in conjunction with the redesign of retail standby rates and the introduction of new interconnection rules.

Investigated the potential of using private equity partners to pursue power plant development and/or acquisition in southern Nevada, including the possibility of a public/private partnership to leverage the credit ratings of a local governmental entity.

Gained valuable indirect experience in the development and implementation of risk management and risk control procedures while working on energy supply projects during the period of time when new corporate risk policies were developed, implemented and defended in litigated proceedings.

Supported a telecommunications subsidiary by acting as the lead in the development of business plans for two metro area networks and a long-haul opportunity. Co-presented the business plans with the lead director for the subsidiary to the Board of Directors and obtained the required initial funding of \$44 million.

Supported a telecommunications subsidiary by acting as the lead in the development of a fiber-to-the-home business plan with an external team of consultants. The plan addressed the feasibility of multiple bundled service offerings and a targeted deployment in several western markets. Participated in negotiations with subsidiary management and multiple potential partners, including service providers with a national footprint, technology partners and content providers. The plan was tabled when key partnership agreements could not be put in place to pursue a "beta" test of the technology and business model.

Participated on the team that developed a successful bid for a northwest electric utility, including due diligence, management presentations by the company being acquired, and strategy discussions with the CEO and financial advisors.

As leader of the industry restructuring team at Nevada Power Company, Mr. Etheridge:

Reported to the CEO and led an internal team of directors assigned full-time to electric industry restructuring. Directed and managed the team's development and presentation of company positions on restructuring to the Public Utilities Commission of Nevada ("PUCN") and to the Nevada Legislature.

Presented expert testimony before the PUCN and the Nevada Legislature. Was responsible for hiring multiple consultants and expert witnesses to facilitate the development of corporate strategy and to support the presentation of positions before the PUCN. In this assignment, represented the company on multiple occasions on television, taped and live radio, in press conferences and interviews, in consumer focus groups, and in presentations to large commercial and industrial customers.

As a member of the CEO's staff, participated in senior management discussions on corporate strategy prior to the merger announcement and throughout the merger integration process, including development of corporate strategy and business line focus for the combined company.

One of only several advisors to the CEO that directly participated with the CEOs from both Nevada Power and Sierra Pacific Resources in the final legislative negotiations on the merger and associated restructuring legislation.

In his other assignments at Nevada Power Company, Mr. Etheridge:

Directed a department responsible for rate design studies, marginal cost of service studies, the annualization of sales and revenues for general rate case applications, demand-side pricing, economic and load forecasting, tariff administration, wholesale pricing, and development of supporting testimony in these areas. Built a cohesive, progressive thinking team of experts that was well recognized throughout the company.

Made multiple presentations to executives and groups of large commercial and industrial customers on a variety of industry issues.

Represented the company in negotiations with customers considering alternative sources of supply. Negotiated an 8-year retail power purchase contract with Mirage Resorts, Incorporated to keep them from building a distributed generation project. Regularly briefed the Board of Directors during negotiations and gained Board approval for the final contract. Acted as a spokesperson on television and in the press on this highly publicized contract.

Acted as the lead in the development of economic forecasts, econometric load forecasts, weather normalization of sales and peak demand, short-term sales forecasts and testimony in these areas.

Expert Testimony:

Before the Public Utilities Commission of Nevada, Docket No. 08-12002 (April and May 2009), on behalf of the U.S. Department of Energy. Direct and supplemental testimony addressed Nevada Power Company's proposed class revenue requirement allocation with respect to DOE's Nevada Test Site and the U.S. Air Force's Nellis Air Force Base.

Before the Maryland Public Service Commission, Case No. 9165 (March 2009), on behalf of the Maryland Department of Natural Resources. Testimony addressed a proposed and alternative transmission lines in southern Maryland.

Before the Public Utilities Commission of Nevada, Docket No. 06-11022 (March 2007), on behalf of the U.S. Department of Energy. Testimony addressed Nevada Power Company's proposed class revenue requirement allocation with respect to DOE's Nevada Test Site and the U.S. Air Force's Nellis Air Force Base.

Before the Public Utilities Commission of Nevada in Nevada Power's last deferred energy case before a rate freeze, Docket No. 99-7035, February 2000. Rebuttal testimony addressed the issue of splitting purchased power capacity payments out of deferred energy cases and into general rate cases for cost recovery purposes.

Before the Nevada Legislature, Senate Commerce and Labor Committee, March 1999. Testimony responded to questions on deregulation.

Before the Public Utilities Commission of Nevada in Nevada Power's application to provide potentially competitive services as part of industry restructuring, Docket No. 98-12009, June 1999 and December 1998. Testimony addressed steps being taking to establish an arms length affiliate to provide potentially competitive services.

Before the Public Utilities Commission of Nevada in the PUCN's Investigation of Issues to be Considered as a Result of Restructuring of the Electric Industry (pursuant to Assembly Bill 366), Docket No. 97-8001, September 1997. Testimony addressed Nevada Power's efforts to address restructuring issues and cost unbundling issues.

Before the Public Utilities Commission of Nevada in a deferred energy case, Docket No. 97-7030, July 1997. Testimony addressed matching deferred energy rates with rapidly changing deferred energy balances given upward swings in market prices for fuel and purchased energy.

Before the Nevada Legislature, Senate Commerce and Labor Committee, February 1997. Testimony addressed rates during hearings on deregulation.

Before the Public Service Commission of Nevada in a gas utility's filing for approval of a residential gas air conditioning rate schedule, Docket No. 96-10005, February 1997. Testimony on behalf of Nevada Power addressed the potential benefits of pricing strategies that support technological innovation.

Before the Public Service Commission of Nevada in a deferred energy case and request to move capacity costs into general rates, Docket No. 96-7020, July 1996. Testimony addressed competition, marginal costs, confidentiality issues, and rate design in support of the largest ever-proposed rate reductions for large customers.

Before the Public Service Commission of Nevada in support of proposed line extension policies, Docket No. 95-6076, February 1996. Testimony addressed line extension policies in light of competition and marginal costs.

Before the Public Service Commission of Nevada in a proposed rate schedule in response to the Department of Energy's (DOE) competitive solicitation for the Nevada Test Site, Docket No. 95-8038, November 1995 and January 1996. Direct and supplemental testimony addressed a proposal to serve the Test Site under a new partial requirements rate schedule. The case was withdrawn when DOE did not award contracts.

Before the Public Service Commission of Nevada in a deferred energy case, Docket No. 95-7021, July 1995 and November 1995. Direct testimony and supplemental testimony addressed a request to implement improved cost allocation procedures for calculating base tariff energy rates across rate classes.

Before the Public Service Commission of Nevada in an application for approval of a negotiated service agreement with Mirage Resorts, Incorporated, Docket No. 95-4061, July 1995. Testimony addressed competition, and the negotiations and cost studies that supported the service agreement.

Before the Public Service Commission of Nevada in an application for approval of a resource plan, Docket No. 94-7001, February 1995. Testimony addressed load forecasting, competition, long-term avoided costs and econometric modeling.

Before the Public Service Commission of Nevada in a proposed line extension rules, Docket No. 94-4085, October 1994. Testimony addressed marginal costs relative to line extensions and in total.

Before the Public Service Commission of Nevada in an application for approval of a resource plan, Docket No. 94-7001, July 1994 and August 1994. Direct and supplemental testimony addressed economic and load forecasting issues.

Before the Public Service Commission of Nevada in an over-earnings investigation, Docket No. 93-11045, June 1994. Direct and supplemental testimony addressed rate design and cost of service.

Before the Public Service Commission of Nevada in a complaint case brought by a rural cooperative over service to the Department of Energy's Nevada Test Site, Docket No. 92-9055, January 1994. Testimony addressed the impact of lost sales to the Test Site on remaining retail customers.

Before the Public Service Commission of Nevada in a general rate case, Docket No. 92-1067, January 1992. Direct and rebuttal testimony addressed rate design and cost of service.

Before the Public Service Commission of Nevada in a general rate case, Docket No. 91-5055, May 1991. Testimony addressed rate design and cost of service.

Before the Public Service Commission of Nevada in an application for approval of a resource plan, Docket No. 88-701, July 1988. Testimony addressed economic and load forecasting.