
Neil H. Talbot

Economic & Financial Consultant
Senior Associate, Synapse Energy Economics
22 Pearl Street, Cambridge, MA 02139
(617) 661-3248 • fax: (617) 661-0599
www.synapse-energy.com
ntalbot@synapse-energy.com

EDUCATION

M.S.F. Finance, Boston College, 1992
M.A. Economics, Cambridge University, England, 1968

PROFESSIONAL EXPERIENCE

Synapse Energy Economics Inc., Cambridge, MA. Economic and financial consultant, 1995-present.

Tellus Institute, Boston, MA. 1980-1994.

Member of Energy Group responsible for utility economic, financial and regulatory analyses.

Arthur D. Little, Inc., Cambridge, MA. 1973-1979.

Member of Managerial Economics Section responsible for public utility economic and planning studies and energy economics.

The Economist Intelligence Unit Ltd., London, England. 1968-1972.

Project leader of Caribbean economic development studies; research and consulting on industrial and utility economics.

Summary of Relevant Experience

Neil Talbot is an economic and financial consultant to Synapse Energy Economics, Inc. He has masters degrees in economics and finance from Cambridge University and Boston College respectively. He has had 38 years' experience as a consultant focusing primarily on utility company economic, financial and regulatory issues with the Economist Intelligence Unit of London, Arthur D. Little, Inc. of Cambridge, Mass., Tellus Institute of Boston, Mass., and Synapse Energy Economics, Inc. He has prepared a wide range of studies and testimony on utility planning, rate of return, mergers and acquisitions, incentive rates, financial modeling of utilities under alternative rate scenarios, valuation of utility assets and evaluation of utility projects and contracts.

For a number of years, Talbot has focused on the new issues facing the electric utility industry, as well as continuing utility financial issues such as regulated rate of return. He was retained by a coalition of Texas cities to review and testify on the valuation and securitization of CenterPoint Energy Houston Electric's stranded costs. On behalf of the Office of the Ohio Consumers'

Counsel, he recently testified on the pricing of Cincinnati Gas & Electric Company's market-based standard service offer, and he is a member of the Synapse Energy Economics team making recommendations regarding a reverse auction for FirstEnergy's standard offer service. In recent years, he has testified on two occasions for the American Association of Retired Persons (AARP) regarding fair rate of return of Green Mountain Power Co. and Central Vermont Public Service Co. He has in the past been a consultant to the Arkansas Public Service Commission on the restructuring of the electric utility industry, including advising on the rate-making treatment of the proposed merger (since cancelled) between Entergy and FPL Corp., and drafting a market power rule that was submitted to the commission. Articles written by Talbot include *The Right Path for Electricity Restructuring: 10 Guidelines for State Legislation* (The Electricity Journal, January/February 1999) and *A Stranded Cost Recovery Alternative* (Electricity Journal, May 1998).

Talbot was retained in 1999 by the Utah Committee of Consumer Services to review the financial aspects of the proposed acquisition of PacifiCorp by ScottishPower, and by the Maine Office of Public Advocate to review the proposed acquisition of CMP Group by Energy East. On behalf of the Attorney General of Washington State, he testified in 1996 on the financial impacts of the proposed merger of Puget Sound Power & Light Company and Washington Energy Company. His focus was on financial impacts of the merger and he developed and applied a corporate financial model to the utilities.

Talbot has testified frequently on cost of capital for regulated utilities. In 1995, he presented testimony on behalf of the Illinois Citizens Utility Board (CUB) on the cost of capital of Northern Illinois Gas Company. His testimony also opposed the company's proposed incentive regulation plan, which the company withdrew during the proceedings. Also for CUB, he testified on the cost of service and cost allocations of Commonwealth Edison Company.

In 2000, Talbot assembled a Synapse Energy Economics team for the Vermont Department of Taxes to prepare valuations of the Hydroelectric Generating Facilities on the Connecticut and Deerfield Rivers. During the 1990s, Talbot appraised various hydroelectric power plants for towns in Vermont. He evaluated purchased power contracts of Public Service Company of New Hampshire and Bangor Hydro Electric in 1994 and 1995 respectively.

In other rate work, Mr. Talbot has reviewed the incentive regulation plan (Alternative Rate Plan) for Central Maine Power Company and the Alternative Marketing Plan of Bangor Hydro, in testimony before the Maine Public Utilities Commission. He is the author of an AARP position paper entitled *Evaluating Price Cap Proposals in the Electric Utility Industry*. In 1998 he completed a *Sunset Review of the Energy Center of Wisconsin*.

Selected Testimony

Agency	Case or Docket No.	Date	Topic
Texas Public Utilities Commission	30485	Jan. 2005	Securitization of CenterPoint Energy Houston Electric's Stranded Costs.
Vermont Public Service Board	6946 & 6988	Oct. 2004	Fair Rate of Return for Central Vermont Public Service Co. (with Amy Roschelle).
Texas Public Utilities Commission	29526	June 2004	Valuation of Generating Subsidiary and Stranded Cost Estimation
Public Utilities Commission of Ohio	03-93-EL-ATA	May 2004	Pricing of Market-Based Standard Service Offer of Cincinnati Gas & Electric Co.
Vermont Public Service Board	6866	Nov. 2003	Fair Rate of Return for Central Vermont Public Service Co.
Oklahoma Corporation Commission	200300121	July, 2003	Rate of Return for Empire District Electric Company.
New Jersey Board of Public Utilities	ER02080614	Jan., 2003	The prudence of Rockland Electric Company's power purchases.
Arizona Corporation Commission	E-01345A-01-0822	May, 2002	Reconsideration of Restructuring and a Review of Power Purchases.
Maine Public Commission	99-411	Sept. 1999	Acquisition of Central Maine Power Utilities by Energy East
Utah Public Commission	98-2035-004	June 1999	Acquisition of PacifiCorp (UP&L) Service by Scottish Power
Arkansas Public Commission	97-451-U	May 1998	Testified as Staff Expert in Electric Service Industry Restructuring Proceeding
Arkansas Public Service Commission	96-360-U	July 1997	Changes in Retail Rates and Transition to Competition Plan
Washington U.T.C.	UE-960195	Sept. 1996	Proposed Merger of Puget Sound P&L and Washington Natural Gas Co.
Maine Public Utilities Commission	96-187	Aug. 1996	Proposed Interim Competitive Transition Charge Tariff of Central Maine Power Co.
Illinois Commerce Commission	95-219	Nov. 1995	Incentive Regulation and Rate of Return for Northern Illinois Gas Company

Maine Public Utilities Commission	95-901	April 1995	Evaluation of Purchased Power Contract Buyout Proposals of Bangor Hydro
California Public Utilities Commission	A.93-12-029	Sept. 1994	Performance Based Ratemaking for Southern California Edison Company
N. Hampshire Public Utilities Commission	93-179	June 1994	Eval. of proposed buyouts by Public Service Company of New Hampshire of long-term purchased power contracts
Illinois Commerce Commission	94-0065	June 1994	Division among customer classes of an increase (or decrease) in revenue requirements for Commonwealth Edison Company, focusing on cost-of-service studies, both marginal and embedded
Kansas Corporation Commission	176,716U	Oct. 1991	Fair rate of return for KPL's Kansas gas operations
Kansas Corporation Commission	172,745-U 174,155-U	Jan. 1991	Proposed merger of Kansas Gas & Electric Company and Kansas Power & Light Company
New Hampshire Public Utilities Commission	DF 89-085	July 1990	Assessment of Eastern Utilities Associates' Plan to acquire UNITIL Corporation
New Hampshire Public Util. Com.	DR-89-244	March 1990	Rate impact of Northeast Utilities take-over of Publ. Serv. Co. of N.H.
Pennsylvania Public Utility Commission	R-891364	Oct. 1989	Fair rate of return and financial impact of rate recommendations on Philadelphia Electric Company
West Virginia P. S. Com.	Case No. 89-173-E-GI	Aug. 1989	Annual fuel review of Appalachian Power Company
Connecticut D. P. U. C.	89-02-16	June 1989	Fair Rate of Return and Rate Design for Connecticut Water Company

New York Public Service Commission	29484 and 88-E-084	July 1988	10-Year Rate Plan of Long Island Lighting Company
Public Service Commission of Utah	87-035-27	Apr. 1988	Effects of the Proposed Merger on UP&L's Energy Balancing Account and on Its Financial Sit. and Cost of Capital
New Mexico Public Service Commission	1811	Jan. 1988	Fair Price for Coal Resources
Public Service Com. of Indiana	38045	Nov. 1986	Evaluation of a power plant for Northern Indiana Public Service Company
Public Service Commission of Maryland	8522	July 1986	Management Audit of Potomac Electric Power Company's Fuel Procurement Practices
West Virginia Public Service Commission	86-081-E-GI 86-082-E-GI	May 1986	Economic Analysis of Pumped Storage Facility
Missouri Public Service Commission	ER-85-128 EO-85-185 EO-85-224	June 1985	The Financial Impact of Alternative Rate Treatments of Wolf Creek on Kansas City Power & Light Company
State Corporation Commission of the State of Kansas	120-924-U 142-098-U 142-099-U	April 1985	Concerning Wolf Creek Fuel Procurement and Nuclear and Other Fuel Costs
State of Connecticut D. P. U. C.	84-02-09	June 1984	Fair Rate of Return for Connecticut Natural Gas Company
Ohio Power Siting Commission		July 1978	CAPCO Power Pool Load Forecast
Idaho Public Utilities Commission		March 1976	Evaluation of Pioneer Power Plant

Consulting, Research & Papers

- 1996-2001 Consultant to the Arkansas Public Service Commission on electric utility industry restructuring and competitive retail access.
- 1996-2000 Consultant to New Jersey Division of Ratepayer Advocate on electric utility industry restructuring and competition, working regularly in client's office as staff consultant drafting position papers
- January 1999 *The Right Path for Electricity Restructuring: 10 Guidelines for State Legislation*, Electricity Journal, Vol.12, No. 1
- May, 1998 *A Stranded Cost Recovery Alternative*, Electricity Journal, Vol.11, No. 4
- October, 1996 *A Consumer's Skeptical Perspective on Multi-Year Price Cap Plans*, Presentation to Washington, D.C. Conference on PBR
- August, 1996 *Evaluating Price Cap Proposals in the Electric Utility Industry*, published by American Association of Retired Persons.
- July, 1996 *Appraisal of New England Power Company's Moore Station*, a report for Town of Waterford, Vermont
- February, 1996 Consultant of Pennsylvania Office of Consumer Advocate on Multi-Year Rate Plan of Pennsylvania Power Company
- 1995 Consultant to City of Wynnewood, Oklahoma, on Long-Term Power Contract with Oklahoma Municipal Power Assoc.
- December, 1995 Support for Great Bay Power Corp. with Regard to Cost of Equity Capital in its Cost-of-Service Filing with F. E. R. C.
- February 1995 Comments on Retail Competition in the Electric Power Industry Filed with New Hampshire PUC on Behalf of the Office of the Consumer Advocate
- December 1994 Assistance on public utility holding company and diversification proposal of Pennsylvania Power & Light Company
- November 1994 Preparation of Comments on Electricity Competition filed with the Pennsylvania PUC by the Office of Consumer Advocate
- 1992-1993 Co-ordinator of Energy and Environmental Alternatives Planning Assistance Program - Africa. For Stockholm Environment Institute.

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- 1993: *Zambia: Resuming the Energy Transition*. A report to: Zambia Department of Energy. Co-author. For Stockholm Environment Institute, funded by Swedish International Development Agency.
- 1994: *Zimbabwe: Energy End-Uses and End-Use Efficiency*. A report to: Zimbabwe Department of Energy. For Stockholm Environment Institute and Swedish International Development Agency. Co-author.
- Oct. 1993 *Financial Economics and Renewable Energy*, presented at: NARUC-DOE National Conference on Renewable Energy, Savannah, Georgia, Oct. 3-6.
- July 1992 *Integrated Energy - Environment Planning: Experiences from the United States and Africa*, paper presented with Michael Lazarus, at South African Energy Policy Research and Training Project Workshop, Cape Town.
- December 1991 Appraisal of Harriman Hydroelectric Plant of New England Power Co. A report to Town of Whitingham, Vermont. Principal author. 89-047.
- Jan.-June 1991 U.S. Agency for Int. Development. Senior Econ. for energy price reform studies for Romania. Provided advice to government regarding energy price reform, energy planning and environmental impacts.
- July 1977 *Management Effectiveness and Operating Efficiency of Kansas Gas and Electric Company*, a report to the Kansas Corporation Commission. Co-author.
- Feb. 1976 *Idaho Power Company's Need for Additional Generating Capacity*, a report to Idaho Public Utilities Commission. Principal investigator.
- Apr. 1974 *Inflation and Economic Growth in the U.S. Virgin Islands*, a report to the Legislature of the U.S. Virgin Islands. Principal investigator.
- Jan. 1974 *A Study of International Inflationary Trends, with Special Emphasis on Algeria*, a report to the Algerian Government. Co-author.
- Sept. 1973 *Long Term Load Forecast*, a report to Potomac Electric Power Co. Author.
- Oct. 1976 Speech on *Load Forecasting for Electric Utilities* published in Proceedings of Need for Power Conference, Columbus, Ohio.