

JOHN T. BROWNE - RESUME

Summary:	<p>John Browne has been providing costing and regulatory consulting services to utilities and telecommunications companies for 17 years. Prior to establishing his own practice two years ago, he was a consultant with Deloitte and Touche LLP, the last seven years as a partner.</p> <p>He has directed and worked on a wide range of studies for regulated companies dealing with accounting and cost allocation principles, cost of service determination, product costing/pricing, rate of return, capital structure, and methods of regulation.</p> <p>He has appeared as an expert witness before the Canadian Radio-television and Telecommunications Commission, Canadian Transport Commission, the Alberta Public Utilities Board / the Alberta Energy and Utilities Board, the Manitoba Public Utilities Board, Newfoundland and Labrador Board of Commissioners of Public Utilities and the Nova Scotia Board of Commissioners of Public Utilities.</p>
Education / Professional Qualifications:	<ul style="list-style-type: none"> ✎✎ Bachelor of Commerce - Queen's University ✎✎ Master of Arts (Economics) - Queen's University ✎✎ completed the course work and comprehensive exam requirements of the doctorate program in economics ✎✎ Chartered Accountant ✎✎ Certified Management Consultant
Committees/ Publications	<p>Mr. Browne is currently Chairman of the Canadian Institute of Chartered Accountants (CICA) Study Group "Financial Reporting By Rate Regulated Enterprises".</p> <p>He co-authored the Deloitte & Touche publication "Basics of Canadian Rate Regulation" and authored the Deloitte & Touche monograph "The Contractual Pitfalls of Relying on GAAP".</p>
Key Clients:	<p>Mr. Browne's major clients have included: Newfoundland Power Inc., Nova Scotia Power Inc., New Brunswick Power Corporation, Hydro Quebec, Ontario Hydro, Manitoba Hydro, SaskPower, Edmonton Power, Ottawa Hydro, Canadian Electricity Association, Ontario Energy Board, Atco Gas, Enbridge, Newfoundland Telephone Company Ltd., Bell Canada, Manitoba Telephone System, Saskatchewan Telecommunications, AGT/TELUS, Teleglobe, Telesat Canada, Southwestern Bell Telephone Company, New York Telephone, The Telecommunication Authority of Singapore, Canada Development Investment Corporation.</p>

Selected
Assignments:

- ?? Assisted Ontario Hydro Services Company (“OHSC”), one of the successor companies of Ontario Hydro, in understanding its regulatory options by researching and providing advice on a number of regulatory issues related to transfer pricing, structural organization, accounting for income taxes, relationships with affiliated companies, performance-based regulation, etc.
- ?? Assisted a diversified energy company by reviewing its transfer prices to and from regulated operations and recommending changes.
- ?? Reviewed various regulatory issues as part of the due diligence for the purchase of TransAlta’s transmission assets in Alberta.
- ?? Assisted an Asian regulator in identifying and analysing the options for dealing with a telecommunication company’s revenue deficiency on local service with the introduction of competition. The options included full rate rebalancing and various options for subsidizing local service.
- ?? Completed a study and recommended a cost of equity rate for Edmonton Power for each of the years 1985, 1986, 1987, 1988, 1989, 1993 and 1996. The reports for 1985, 1986 and 1996 were included in the Company’s rate submissions to the Public Utilities Board of Alberta / Alberta Electric and Utility Board and expert testimony was provided at a public hearing.
- ?? Researched and evaluated options for the regulation for Nova Scotia Power. A recommendation was submitted to the utility’s regulator and expert testimony provided.
- ?? Researched and analysed the issue of treating Edmonton Power (a municipally owned utility) as a stand-alone entity for regulatory purposes. A recommendation was submitted to the utility’s regulator and expert testimony was provided.
- ?? Analysed the issue of the appropriate accounting and regulatory treatment of Nova Scotia Power’s defeasance program. Prepared evidence and appeared as an expert witness on the issue.
- ?? Researched and evaluated the appropriateness of Newfoundland Power Inc’s inter-corporate charges. A recommendation with support was submitted to the Newfoundland and Labrador Board of Commissioners of Public Utilities.

- ?? Prepared an opinion for SaskPower on the proper accounting for its capital reconstruction charge that recognized its position as an electric utility with rates set on a cost recovery basis.
- ?? Assisted the Ontario Energy Board Staff in identifying the parameters for a costing study to be completed by a gas distribution utility regulated by the Board.
- ?? Advised New Brunswick Electric Power on accounting and regulatory issues related to reserve accounts in the regulatory environment.
- ?? Researched, analysed and presented a recommendation that an electric utility should be allowed to defer tax costs so that the utility could avoid a rate increase followed by a rate decrease.
- ?? Researched and analysed the issues of phase-in and risk sharing for Edmonton Power's Genesee plant and prepared a recommendation that was submitted to the utility's regulator. Expert testimony was also provided.
- ?? Assisted New Brunswick Electric Power in addressing various accounting issues related to its first rate hearing.
- ?? Researched and analysed the methodology for calculating working capital for Edmonton Power. Prepared evidence on the issue and appeared as an expert witness.
- ?? Assisted Hydro Quebec by researching issues related to the determination of rate base for a first time rate application and preparing a report that recommended how the utility's rate base should be established at its initial rate hearing.
- ?? Researched, analysed and prepared a recommendation on the issue of whether Nova Scotia Power should recover a purchase premium paid by the utility on the purchase of a distribution utility.
- ?? Researched and analysed the issue of a deferral plan for the introduction of a new plant into rate base. Prepared evidence on the issue for Nova Scotia Power and appeared as an expert witness. Subsequently prepared evidence and appeared as an expert witness on changes to the deferral of the costs on the plant due to changes in circumstances.
- ?? Researched and analysed the issue of an appropriate capital structure for Edmonton Power (a municipally owned utility) on a stand alone basis. A recommendation was submitted to the Public Utilities Board of Alberta and appeared as an expert witness.

- ?? Completed a study to establish an appropriate capital structure for Edmonton Power and prepared a report recommending an appropriate capital structure for regulatory purposes that formed part of the utility's 1996 submission to the Alberta Energy and Utility Board.
- ?? Advised Manitoba Hydro on the development of appropriate financial targets and prepared evidence on the issue for submission to the utility's regulator. The assignment required researching and analysing the issue of appropriate financial targets for a government owned utility.
- ?? Reviewed Manitoba Hydro's financial targets and recommended changes to those targets in light of the changes in the electric utility industry, especially the introduction of competition. The assignment included a review of trends in the electric utility industries of Canada, the United States and the United Kingdom and the implications for a government owned utility.
- ?? Analysed and recommended an appropriate capital structure for Ottawa Hydro (a municipally owned utility) in the context of the restructuring of the Ontario electric power industry.
- ?? Analysed and recommended an appropriate debt/equity ratio for a government owned utility and the treatment of sinking fund interest for purposes of calculating revenue requirements.
- ?? Completed a study for New Brunswick Power that identified and evaluated the options for restructuring the electric power industry in New Brunswick and privatizing all or part of the Company. As part of the assignment, reviewed the developments occurring throughout the world with a focus on North America.
- ?? Analysed and evaluated the ownership options for Hydro Mississauga, including privatization, and prepared a recommendation for the City of Mississauga/Hydro Mississauga. The assignment included a review of the trends in the electric utility industry, especially the growing likelihood of competition.
- ?? Researched the issue of pricing the sale of telecom assets by a regulated utility to a non-regulated affiliate and subsequent transactions between the utility and its affiliate.
- ?? Assisted a government owned telecommunications company in a review of the methods by which it could be regulated. The assignment included a review of its changing financial requirements, and the need for the company to improve its equity position.

- ?? Researched and analysed various issues dealing with the introduction of price-cap regulation for a telecommunications company and prepared position papers for the company.
- ?? Advised the business unit of a major telecommunications company on the appropriate basis for establishing the transfer prices to be charged to other business units within the company.
- ?? Evaluated the ability of a telecommunications company's existing costing systems to meet the CRTC's Phase III costing requirements and provided an opinion on whether the methodology would be defensible.
- ?? Assisted the Alberta Government Telephones Commission in developing and supporting a position on working capital for a regulatory hearing.
- ?? Researched and analysed the issue of including in Newfoundland Telephone Co.'s rate base a purchase premium paid on the acquisition of another regulated telecommunications company. An opinion on this issue was submitted to the company's regulator.
- ?? Advised TELUS/AGT on accounting and regulatory issues related to its privatization.
- ?? Assisted the Canada Development Investment Corporation in the privatization of Teleglobe Canada by recommending an appropriate value of the assets and liabilities of the company for rate setting purposes.
- ?? Researched and analysed the issue of appropriate financial targets for Manitoba Telephone System. An opinion was submitted to the Manitoba Public Utilities Board and expert testimony provided.
- ?? Researched and analysed the basis for establishing Manitoba Telephone System's allowed rate of return for regulatory purposes. An opinion on the issue was submitted to the CRTC and expert testimony was provided.