

Personal Profile

Name Larry B. Brockman

Present Position Managing Consultant

Education Mr. Brockman earned a bachelor's degree in engineering from the University of Florida in 1973. He subsequently completed 35 quarter-hours towards a master's degree in electrical engineering, with a minor in regulatory economics at the University of Florida.

Qualifications Mr. Brockman has over 25 years experience as a utility planner, consultant, regulator, educator, rate designer, and expert witness. He specializes in strategic planning, regulatory assistance, competitive market assessments, bid evaluation processes, merger and acquisition analysis, cost of service, and rate design, and computer simulation, to help utilities and IPPs meet their strategic goals and maintain competitive advantage.

Societies IEEE

Languages English

PA Experience Larry Brockman joined PA in October 2000, when Hagler Bailly joined PA Consulting.

Pre PA Experience Mr. Brockman has over 25 years experience as a utility planner, consultant, regulator, educator, rate designer, and expert witness. He specializes in strategic planning, regulatory assistance, competitive market assessments, bid evaluation processes, merger and acquisition analysis, cost of service, and rate design, and computer simulation, to help utilities and independent power producers meet their strategic goals and maintain competitive advantage.

During his career, Mr. Brockman has helped market, perform, and manage numerous consulting projects, including:

Cost of Service and Rate Design

Numerous cost of service and rate design investigations for Canadian and US utilities, examining the utilities' marginal and embedded cost-of-service and rate design procedures for their ability to meet the utilities' strategic and regulatory goals. In many of these examinations, Mr. Brockman has appeared as an expert witness.

Review of a restructured utility's shared services costs and service separation study to allocate the costs between regulated and unregulated subsidiaries, and procedures for tracking the costs in the future.

Expert Litigation Assistance

Project manager of an anti-trust case involving investigation of all phases of power supply planning covering a 40 year historical period and a successful defense against over \$3 Billion damage suit over alleged actions by an investor owned utility. Mr. Brockman's client prevailed on all counts.

A successful defense against a cogenerator seeking to convince regulators that a utility should pay for unnecessary and uneconomic new generation by the cogenerator. Mr. Brockman's team identified over \$1.5 Billion in unnecessary rate-payer cost in the cogenerator's proposal and convinced the commission to dismiss the claims.

Project manager for a precedent setting FERC case defending a utility from an attempt to abrogate a long term bulk power contract worth over \$400 Million. Mr. Brockman's team was able to convince the FERC that contract abrogation was not in the public interest, that the plaintiff was not going bankrupt, and that the plaintiff's difficulties were the result of arbitrary and capricious state regulation. Mr. Brockman's client won the case on all points.

Financial Analysis and Asset Valuation

Construction of detailed utility financial simulation models to forecast regional bulk-power prices and profits for use by an IPP and power marketer to judge market entry positions and create successful negotiating strategies for purchases and sales in unregulated generation markets.

A profitability study for an electric utility to assess effects on shareholder returns and economic value added (EVA), of various marketing activities of the utility. These studies resulted in re-engineering the marketing department to yield higher returns and be more consistent with corporate goals.

Several asset valuation studies for electric utilities to determine whether a market existed to sell existing generating assets, what they were worth, and whether they would be competitive with existing and new generation in the region. Results were presented to senior management and used to revise the strategic planning direction.

Competitive Market Assessments

Expert testimony to the Arkansas and Louisiana Public Service Commissions on the market clearing prices for generation in a competitive market, and the relative competitive positions of many of the generating companies in the SPP and ERCOT regions. To perform this work, Mr. Brockman used sophisticated computer models and a database containing over 120,000 MW of capacity in the region.

A study on the effects of retail competition on the states of North and South Carolina, presented to the South Carolina Legislature and performed for Carolina Power and Light Company. The study required research on the behavior of prices in other formerly regulated industries and detailed modeling of the market prices and financial effects on the utilities, as well as the effects on state and local taxes.

An independent review of the effectiveness and reliability of a large Mid-Western utility's power marketing and purchases function in deregulated generation markets, performed as a joint project with the utility and the state's attorney general.

Numerous market outlook and generator profitability studies of the ERCOT, Eastern Interconnect, and WSCC markets for merchant plant developers, using the GEMAPS transmission-constrained production cost simulation tool.

An analysis for a Canadian utility of the profitability of increased transmission line investments to move power into various competitive markets in the US and Canada.

Strategic Planning

A strategic planning project for a large South-Eastern electric utility identifying strengths, weaknesses, opportunities, and threats, in competitive open-access power markets. For each utility in the region, the project identified which customers would be gained and lost, and assessed the impacts of alternative transmission, and contracting strategies. The entire South Eastern US generating and major transmission systems were simulated. Over \$1.5 Billion of potential customer revenue migration was identified at the client utility. Strategies for maintaining the utility's profitability were recommended and accepted by senior management.

Development of several successful strategies and power supply bid evaluation procedures in use at investor owned and rural electric cooperatives, to ensure that winning bids are consistent with the utility's business goals and objectives.

Several generation asset portfolio analyses identifying the profitability of each generation asset in deregulated generation markets, taking into account the transmission limitations of the system.

Computer Simulation of Power Systems

Mr. Brockman is an expert in the use of utility simulation software for: planning; operations; and financial analysis including: PROMOD; PROVIEW; PROSCREEN II; PMDAM; EVALUATOR; GEMAPS, and power flow programs.

Operational Studies

A salt dome natural gas storage study for a South Central electric utility. The study identified the hourly operational characteristics necessary for favorable economics of the required storage facility. Estimated savings in excess of \$100 Million were identified. The facility was constructed and has been successfully benchmarked against the study results.

Merger and Acquisition Analysis

Mr. Brockman has participated in several merger and acquisition studies assessing the production cost and planning and operational synergies arising from the merger. He testified before the FERC on the accuracy and appropriateness of computer simulations in a recent merger application. He was recently engaged in helping with a regulated/non-regulated cost separation study for a shared services group of a major utility.

Prior Positions Held

President of Brockman Consulting 1997-2000. Mr. Brockman helped clients with strategic planning and regulatory assistance.

Managing Director and Vice President 1994-1996, EDS Management Consulting Services. Responsible for annual revenues of \$3.5 Million in the Atlanta office, engaged in providing technical consulting services in planning, regulatory assistance, marketing, competitive assessments, reliability, bid evaluation, financial simulation, and expert testimony.

Vice President Energy Management Associates (EMA) Consulting Department 1985-1994. Started as lead consultant and rose to position of Vice President. He marketed and provided strategic planning, regulatory assistance, and operational consulting to electric and gas utilities worldwide.

Assistant Director Electric and Gas Department, Florida Public Service Commission 1981-1985. Supervised 48 employees engaged in all phases of electric and gas regulation. Made recommendations to the Commission on rate cases and resource planning dockets for all electric and gas utilities in Florida. Responsible for financial and management audit scopes, prudence reviews of rate base, expenses, revenue requirements, and final rate design. Also advised Commission on economic effects of regulatory and energy policy actions.

Corporate Planning Engineer 1979-1981, Gainesville Regional Utilities. Developed, analyzed, and presented to senior management and the City Council, ideas, plans, and studies affecting the growth, financial well-being and efficient operation of the city owned electric system. Performed detailed simulations and studies of new generation, substations, transmission lines, voltage conversions, re-conductoring, and power factor correction. Mr. Brockman

Expert Witness Apperances

conducted public hearings and testified before the City Council on proposed transmission lines, substations, and rate designs.

Special Consultant 1979-1980, University of Florida Public Utilities Research Center. Under a grant from Florida Power Corporation and the Florida Public Service Commission, performed a detailed review of marginal cost study techniques for electric utilities and completed a marginal cost study for Florida Power Corporation.

Transmission Planning Engineer 1973-1976, Jacksonville Electric Authority. Responsible for bulk transmission planning, including extensive use of power-flow, fault current, and transient stability computer programs. Chairman of the Florida Electric Coordinating Group's Long Range Transmission Planning Task Force 1974.

Adjunct Faculty Member 1976, University of North Florida. Taught courses in industrial and commercial building wiring design and conformance with National Electrical Codes.

City of Gainesville City Council, 1980, testified on behalf of Gainesville Regional Utilities concerning a joint utility and citizen's collaborative effort on rate design.

City of Gainesville City Council, 1981, testified concerning a Long-Range Transmission and Distribution Plan and proposals to construct a new substation.

Florida Public Service Commission, Florida Power and Light, 1981 Docket No. 810002, Rate Case, testified on cost-of-service.

City of Tallahassee - Surcharge Outside the City Limits, 1983. Testified concerning marginal and embedded costs inside and outside the city limits.

Florida Public Service Commission, 1988, West Florida Natural Gas Company. Testified on cost-of-service and rate design and why the utility needed flexibility to meet competition.

Oklahoma Corporation Commission, 1988, Avoided Cost Proceeding. Testified on the appropriate use of computer models to determine avoided cost of generation.

Nova Scotia Board of Commissioners of Public Utilities, 1989, Nova Scotia Power Rate Case. Testified on cost of service and rate design.

Nova Scotia Board of Commissioners of Public Utilities, 1990, Nova Scotia Power Rate Case. Testified on integrated resource planning, cost of service and rate design

Nova Scotia Board of Commissioners of Public Utilities, 1993, Nova Scotia Power Rate Case. Testified on cost of service and rate design.

Board of Commissioners of Public Utilities of the Province of Newfoundland and Labrador, 1990. Newfoundland and Labrador Hydro rate case. Testified on integrated resource planning and rate design.

Board of Commissioners of Public Utilities of the Province of Newfoundland and Labrador, 1993, Generic Hearing on Cost of Service and Rate Design.

Board of Commissioners of Public Utilities of the Province of Newfoundland and Labrador, 1993, In the Matter of an Inquiry Into Issues Relating to Rural Rate Subsidies.

Public Service Commission Colorado, 1994, testified on behalf of Public Service Company of Colorado on the proper use of dynamic programming models in the utility's integrated resource planning process.

Federal Energy Regulatory Commission, 1994, Merger Case, Testified on behalf of Central and Southwest utility concerning production cost merger benefits.

Nova Scotia Board of Commissioners of Public Utilities, 1995, Nova Scotia Power Rate Case. Testified on cost of service and rate design.

Board of Commissioners of Public Utilities of the Province of Newfoundland and Labrador, 1996, Newfoundland Power Rate Case, testified on cost of service and rate design.

Arkansas Public Service Commission, 1997, Arkansas Power and Light Rate Case, testified concerning the market clearing prices for power in deregulated markets and the relative competitive positions of various generators in such markets.

Clients Served

Mr. Brockman has served the following clients:

Ahlstrom Pyro Power

Alabama Electric Cooperative

Alberta Power Company

Balch and Bingham

Black and Veatch

California Energy Commission

Carolina Power and Light Company

Central and Southwest Company

Central Vermont Power Company

Chugach Electric Cooperative

Cincinnati Gas and Electric Company

Citibank

Commonwealth Edison Company
Duke Power Company
Enron
Entergy
Florida Public Service Commission
Georgia Power Company
Gainesville Gas Company
Hawaiian Electric Company
Howery and Simon
Hydro One
McKinsey and Company
Mission Energy
Nevada Power Company
New Brunswick Power Company
New York State Electric and Gas
Newfoundland Power
Niagara Mohawk
Nova Scotia Power Company
Oklahoma Gas and Electric Company
Ontario Power Generation
Pacific Gas and Electric Company
Public Service Company of Colorado
Public Service Company of New Mexico
Rochester Gas and Electric
SCANA
Southern California Edison
Tampa Electric Company
The City of Austin
The Southern Company
TransEnergie
West Florida Natural Gas Company
The World Bank