

**APPENDIX 1**  
**QUALIFICATIONS OF JAMES H. VANDER WEIDE, PH.D.**

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James H. Vander Weide is President of Financial Strategy Associates, a consulting firm that provides financial and economic consulting services, including cost of capital and valuation studies, to corporate clients. Dr. Vander Weide holds a Ph.D. in Finance from Northwestern University and a Bachelor of Arts in Economics from Cornell University. After receiving his Ph.D. in Finance, Dr. Vander Weide joined the faculty at Duke University, the Fuqua School of Business, and was named Assistant Professor, Associate Professor, Professor, and then Research Professor of Finance and Economics.

As a Professor at Duke University and the Fuqua School of Business, Dr. Vander Weide has published research in the areas of finance and economics and taught courses in corporate finance, investment management, management of financial institutions, statistics, economics, operations research, and the theory of public utility pricing. Dr. Vander Weide has been active in executive education at Duke and Duke Corporate Education, leading executive development seminars on topics including financial analysis, cost of capital, creating shareholder value, mergers and acquisitions, capital budgeting, measuring corporate performance, and valuation. In addition, Dr. Vander Weide designed and served as Program Director for several executive education programs, including the Advanced Management Program, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. He is now retired from his teaching responsibilities at Duke.

As an expert financial economist, Dr. Vander Weide has participated in more than four hundred regulatory and legal proceedings, appearing in U.S. courts and federal and state or provincial proceedings in the United States and Canada. He has testified as an expert witness on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues. His clients include investor-owned electric, gas, and water utilities, natural gas pipelines, oil pipelines, telecommunications companies, and insurance companies.

Publications

Dr. Vander Weide has written research papers on such topics as portfolio management, capital budgeting, investments, the effect of regulation on the performance of public utilities, and cash management. His articles have been published in *American Economic Review*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Financial Management*, *Journal of Portfolio Management*, *International Journal of Industrial Organization*, *Journal of Bank Research*, *Journal of Accounting Research*, *Journal of Cash Management*, *Atlantic Economic Journal*, *Journal of Economics and Business*, and *Computers and Operations Research*. He has written a book entitled *Managing Corporate Liquidity: An Introduction to Working Capital Management* published by John Wiley and Sons, Inc.; and he has written a chapter titled "Financial Management in the Short Run" for *The Handbook of Modern Finance*, and a chapter titled "Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory" for *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*. *The Handbook of Portfolio*

*Construction* is a peer-reviewed collection of research papers by notable scholars on portfolio optimization, published in 2010 in honor of Nobel Prize winner Harry Markowitz.

Professional Consulting Experience

Dr. Vander Weide has provided financial and economic consulting services to firms in the electric, gas, insurance, oil and gas pipeline, telecommunications, and water industries for more than thirty years. He has testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues in more than four hundred cases before the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, the National Telecommunications and Information Administration, the United States Tax Court, the public service commissions of forty-three states and the District of Columbia, four Canadian provinces, the insurance commissions of five states, the Iowa State Board of Tax Review, and the North Carolina Property Tax Commission. In addition, he has testified as an expert witness in proceedings before numerous federal district courts. Dr. Vander Weide testified in thirty states on issues relating to the pricing of unbundled network elements and universal service cost studies and consulted with Bell Canada, Deutsche Telekom, and Telefónica on similar issues. Dr. Vander Weide has provided consulting and expert witness testimony to the following companies:

<b>ELECTRIC, GAS, PIPELINE, WATER COMPANIES</b>	
Alcoa Power Generating, Inc.	Kinder Morgan Energy Partners
Alliant Energy and subsidiaries	Maritimes & Northeast Pipeline
AltaLink, L.P.	MidAmerican Energy and subsidiaries
Ameren	National Fuel Gas
American Water Works	Nevada Power Company
Atmos Energy and subsidiaries	NICOR
BP p.l.c.	North Carolina Natural Gas
Buckeye Partners, L.P.	North Shore Gas
Central Illinois Public Service	Northern Natural Gas Company
Citizens Utilities	NOVA Gas Transmission Ltd.
Consolidated Natural Gas and subsidiaries	PacifiCorp
Dominion Resources and subsidiaries	Peoples Energy and its subsidiaries
Duke Energy and subsidiaries	PG&E
Empire District Electric Company	Plains All American Pipeline, L.P.
EPCOR Distribution & Transmission Inc.	Progress Energy
EPCOR Energy Alberta Inc.	PSE&G
FortisAlberta Inc.	Public Service Company of North Carolina
FortisBC Utilities	Sempra Energy/San Diego Gas and Electric
Hope Natural Gas	South Carolina Electric and Gas
Interstate Power Company	Southern Company and subsidiaries
Iberdrola Renewables	Tennessee-American Water Company
Iowa Southern	The Peoples Gas, Light and Coke Co.
Iowa-American Water Company	TransCanada

<b>ELECTRIC, GAS, PIPELINE, WATER COMPANIES</b>	
Iowa-Illinois Gas and Electric	Trans Québec & Maritimes Pipeline Inc.
Kentucky Power Company	Union Gas
Kentucky-American Water Company	United Cities Gas Company
Newfoundland Power Inc.	Virginia-American Water Company
	Wisconsin Energy Corporation
	Xcel Energy

<b>TELECOMMUNICATIONS COMPANIES</b>	
ALLTEL and subsidiaries	Phillips County Cooperative Tel. Co.
Ameritech (now AT&T new)	Pine Drive Cooperative Telephone Co.
AT&T (old)	Roseville Telephone Company (SureWest)
Bell Canada/Nortel	SBC Communications (now AT&T new)
BellSouth and subsidiaries	Sherburne Telephone Company
Centel and subsidiaries	Siemens
Cincinnati Bell (Broadwing)	Southern New England Telephone
Cisco Systems	Sprint/United and subsidiaries
Citizens Telephone Company	Telefónica
Concord Telephone Company	Tellabs, Inc.
Contel and subsidiaries	The Stentor Companies
Deutsche Telekom	U S West (Qwest)
GTE and subsidiaries (now Verizon)	Union Telephone Company
Heins Telephone Company	United States Telephone Association
JDS Uniphase	Valor Telecommunications (Windstream)
Lucent Technologies	Verizon (Bell Atlantic) and subsidiaries
Minnesota Independent Equal Access Corp.	Woodbury Telephone Company
NYNEX and subsidiaries (Verizon)	
Pacific Telesis and subsidiaries	

<b>INSURANCE COMPANIES</b>
Allstate
North Carolina Rate Bureau
United Services Automobile Association (USAA)
The Travelers Indemnity Company
Gulf Insurance Company

Other Professional Experience

Dr. Vander Weide has conducted in-house seminars and training sessions on topics such as creating shareholder value, financial analysis, competitive strategy, cost of capital, real options, financial strategy, managing growth, mergers and acquisitions, valuation, measuring corporate performance, capital budgeting, cash management, and financial planning. Among the firms for whom he has designed and taught tailored programs and training sessions are ABB Asea Brown Boveri, Accenture, Allstate, Ameritech, AT&T, Bell Atlantic/Verizon, BellSouth, Progress Energy/Carolina Power & Light, Contel, Fisons, GlaxoSmithKline, GTE, Lafarge, MidAmerican Energy, New Century Energies, Norfolk Southern, Pacific Bell Telephone, The Rank Group, Siemens, Southern New England Telephone, TRW, and Wolseley Plc. Dr. Vander Weide has also hosted a nationally prominent conference/workshop on estimating the cost of capital. In 1989, at the request of Mr. Fuqua, Dr. Vander Weide designed the Duke Program for Manager Development for managers from the former Soviet Union, the first in the United States designed exclusively for managers from Russia and the former Soviet republics.

Early in his career, Dr. Vander Weide helped found University Analytics, Inc., one of the fastest growing small firms in the country at that time. As an officer at University Analytics, he designed cash management models, databases, and software packages used by most major U.S. banks in consulting with their corporate clients. Having sold his interest in University Analytics, Dr. Vander Weide now concentrates on strategic and financial consulting, academic research, and executive education.

**PUBLICATIONS**  
**JAMES H. VANDER WEIDE**

The Lock-Box Location Problem: a Practical Reformulation, *Journal of Bank Research*, Summer, 1974, pp. 92-96 (with S. Maier). Reprinted in *Management Science in Banking*, edited by K. J. Cohen and S. E. Gibson, Warren, Gorham and Lamont, 1978.

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A Unified Location Model for Cash Disbursements and Lock-Box Collections, *Journal of Bank Research*, Summer, 1976 (with S. Maier). Reprinted in *Management Science in Banking*, edited by K. J. Cohen and S. E. Gibson, Warren Gorham and Lamont, 1978. Also reprinted in *Readings on the Management of Working Capital*, edited by K. V. Smith, West Publishing Company, 1979.

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