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**LACLEDE GAS COMPANY
MISSOURI GAS ENERGY**

**GR-2017-0215
GR-2017-0216**

SURREBUTTAL TESTIMONY

OF

ROBERT B. HEVERT

NOVEMBER 21, 2017

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1 **SURREBUTTAL TESTIMONY OF ROBERT B. HEVERT**

2 **I. INTRODUCTION**

3 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.**

4 A. My name is Robert B. Hevert. I am a Partner of ScottMadden, Inc. My business address
5 is 1900 West Park Drive, Suite 250, Westborough, MA 01581.

6 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING TESTIMONY IN THIS**
7 **PROCEEDING?**

8 A. I am submitting this Surrebuttal Testimony on behalf of Laclede Gas Company
9 (“Laclede” or the “Company”), a wholly owned subsidiary of Spire Inc. (“Spire”), and
10 Laclede’s operating units in Eastern Missouri (“LAC”) and Western Missouri (Missouri
11 Gas Energy, or “MGE”).

12 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

13 A. I hold a Bachelor’s degree in Business and Economics from the University of Delaware,
14 and a Masters of Business Administration with a concentration in Finance from the
15 University of Massachusetts. I also hold the Chartered Financial Analyst designation.
16 Exhibit RBH-SR1 provides a summary of my professional and educational background.

17 **Q. PLEASE DISCUSS YOUR PROFESSIONAL EXPERIENCE AND**
18 **QUALIFICATIONS.**

19 A. I have worked in regulated industries for over 25 years, having served as an executive
20 and manager with consulting firms, a financial officer of a publicly traded natural gas
21 utility (at the time, Bay State Gas Company), and an analyst at a telecommunications
22 utility. In my role as a consultant, I have advised numerous energy and utility clients on
23 a wide range of financial and economic issues including corporate and asset-based

1 transactions, asset and enterprise valuation, transaction due diligence, and strategic
2 matters. As an expert witness, I have provided testimony in more than 200 proceedings
3 regarding various financial and regulatory matters before numerous state utility
4 regulatory agencies, including the Commission, the Federal Energy Regulatory
5 Commission, and the Alberta (Canada) Utilities Commission.

6 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THIS**
7 **COMMISSION?**

8 A. Yes, I have. Exhibit RBH-SR1 includes a summary of proceedings in which I have
9 provided expert testimony, including those before this Commission.

10 **II. PURPOSE OF SURREBUTTAL TESTIMONY**

11 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

12 A. The purpose of my testimony is to respond to certain portions of the Rebuttal Testimony
13 filed by Mr. Michael P. Gorman, witness for the Office of Public Counsel (“OPC”) and
14 Missouri Industrial Energy Consumers regarding Laclede’s proposed capital structure. In
15 particular, my Surrebuttal Testimony addresses Mr. Gorman’s proposed “goodwill
16 adjustment”, and the adequacy of his proposed capital structure. My Surrebuttal
17 Testimony explains why Mr. Gorman’s goodwill adjustment is inappropriate, and
18 demonstrates that his proposed equity ratio ignores important elements of prudent utility
19 financing practice, and should be rejected. I understand that in his Surrebuttal
20 Testimony, Mr. Buck also will address certain aspects of Mr. Gorman’s proposed capital
21 structure.

1 **III. OVERVIEW OF MR. GORMAN’S POSITIONS**

2 **Q. PLEASE BRIEFLY SUMMARIZE MR. GORMAN’S TESTIMONY REGARDING**
3 **LACLEDE’S PROPOSED CAPITAL STRUCTURE.**

4 A. Mr. Gorman finds the Company’s proposed capital structure to be unreasonable for two
5 principal reasons: (1) the proposed debt and equity balances did not reflect \$170 million
6 of recently issued debt for which the net proceeds were used, in part, to refinance existing
7 short-term debt; and (2) the common equity balance should be reduced by \$210 million
8 “to remove the capital supporting the goodwill asset.”¹ With those two adjustments, Mr.
9 Gorman proposes a capital structure including 47.20 percent common equity, and 52.80
10 percent long-term debt,² which he believes is consistent with industry practice, and
11 sufficient to enable the Company to attract capital and maintain a proper credit rating.³

12 **Q. HAS MR. GORMAN’S FIRST CONCERN BEEN ADDRESSED BY THE**
13 **COMPANY?**

14 A. Yes. Because it occurred during the true-up period, Mr. Buck reflected the Company’s
15 \$170 million long-term debt issuance in his Direct True-up Testimony. With that
16 adjustment, the Company’s proposed capital structure now consists of 45.80 percent
17 long-term debt, and 54.20 percent common equity.⁴ Mr. Gorman’s first point therefore
18 no longer is at issue. Consequently, my remaining testimony addresses Mr. Gorman’s
19 proposed “goodwill adjustment”, and the reasonableness of the Company’s capital
20 structure.

21

¹ Rebuttal Testimony and Schedules of Michael P. Gorman, at 14.
² Rebuttal Testimony and Schedules of Michael P. Gorman, at 14, Schedule MPG-R-2.
³ Rebuttal Testimony and Schedules of Michael P. Gorman, at 14.
⁴ True-Up Direct Testimony of Glenn W. Buck, at 2.

1 **IV. MR. GORMAN’S PROPOSED GOODWILL ADJUSTMENT**

2 **Q. PLEASE SUMMARIZE MR. GORMAN’S PROPOSED GOODWILL**
3 **ADJUSTMENT.**

4 A. In his Schedule MPG-R-2, Mr. Gorman reduces Laclede’s equity balance by \$210
5 million, which is the approximate amount of the goodwill balance reported on Laclede’s
6 2016 balance sheet.⁵ Mr. Gorman argues it is reasonable to eliminate \$210 million of
7 equity because it is “used to support [Laclede’s] investment in a goodwill asset.”⁶ As
8 noted above, Mr. Gorman argues his proposed adjustment produces an equity ratio of
9 47.20 percent.

10 **Q. AS A PRELIMINARY MATTER, WHAT IS GOODWILL, AND WHY IS AN**
11 **APPROXIMATELY \$210 MILLION GOODWILL BALANCE CARRIED ON**
12 **LACLEDE’S BALANCE SHEET?**

13 A. In general, goodwill is an intangible asset that arises when the consideration paid in a
14 transaction exceeds the total value of the assets and liabilities acquired. Here, goodwill is
15 related to the premium paid for MGE’s assets in excess of the net original book value of
16 those assets. As noted in Spire’s 2016 Securities and Exchange Commission (“SEC”)
17 Form 10-K, “[g]oodwill is measured as the excess of the acquisition-date fair value of the
18 consideration transferred over the amount of acquisition-date identifiable assets acquired
19 net of assumed liabilities.”⁷

⁵ Rebuttal Testimony and Schedules of Michael P. Gorman at 5, Schedule MPG-R-3; See also Spire, Inc. SEC Form 10-K for the fiscal year ended September 30, 2016, at 66.

⁶ Rebuttal Testimony and Schedules of Michael P. Gorman, at 4 – 5.

⁷ Spire, Inc. SEC Form 10-K for the fiscal year ended September 30, 2016, at 81.

1 As to the \$210 million balance that is the subject of Mr. Gorman’s proposed
 2 adjustment, it arose from Laclede’s 2013 acquisition of MGE (see Table 1, below).⁸ I
 3 understand that, consistent with the Stipulation and Agreement in the MGE acquisition
 4 case (the “Stipulation”), no portion of the goodwill balance has been included in the
 5 Company’s proposed cost of service in these proceedings.

6 **Table 1: Goodwill Associated with MGE Acquisition⁹**

Item	Amount (\$ Millions)
Balance as of September 30, 2013	\$ 247.10
Adjustments to finalize the 2013 acquisition of MGE	(36.90)
Acquisition of Alagasco	-
Balance as of September 30, 2014	210.20
Adjustments to finalize the acquisition of Alagasco	-
Balance as of September 30, 2015	210.20
Acquisition of EnergySouth	-
Balance as of September 30, 2016	\$ 210.20

7
 8 **Q. WHAT IS THE BASIS OF MR. GORMAN’S PROPOSED ADJUSTMENT?**

9 A. Mr. Gorman offers four arguments in favor of his proposed adjustment. First, he argues
 10 goodwill “represents a transaction between Spire or Laclede/MGE’s investors, and the
 11 investors of the entity which is being acquired.”¹⁰ He reasons that as a consequence,
 12 goodwill “does not represent capital received from investors and used to invest in utility
 13 plant and equipment.”¹¹ Second, Mr. Gorman argues because it is not included in rate
 14 base, goodwill produces no cash flow and, from the perspective of rating agencies, “has

⁸ See, Spire, Inc., SEC Form 10-K for the fiscal year ended September 30, 2016, at 81.

⁹ Spire, Inc., SEC Form 10-K for the fiscal year ended September 30, 2016, at 81.

¹⁰ Rebuttal Testimony and Schedules of Michael P. Gorman, at 7.

¹¹ Rebuttal Testimony and Schedules of Michael P. Gorman, at 7.

1 no economic value.”¹² Third, Mr. Gorman states that because goodwill produces no cash
2 flow, it “can only prudently and reasonably be financed by utility common equity”; he
3 argues it would be “imprudent to finance a goodwill asset with debt.”¹³ Lastly, Mr.
4 Gorman suggests that, because any impairment in goodwill would be written off against
5 common equity, his proposed adjustment is properly focused on the common equity
6 balance.

7 **Q. AS A POINT OF CLARIFICATION, DID THE \$210 MILLION GOODWILL**
8 **BALANCE ARISE FROM A TRANSACTION BETWEEN SPIRE AND/OR**
9 **LACLEDE/MGE AND SOME OTHER ENTITY?**

10 A. As noted above (and as shown in Table 1), the goodwill balance arose solely from
11 Laclede’s 2013 acquisition of MGE. To be clear, it does not include any effect of Spire
12 Inc.’s subsequent acquisitions of either Alabama Gas Corporation (“Alagasco”) or
13 EnergySouth, Inc. (“EnergySouth”).

14 **Q. HOW DID LACLEDE FINANCE ITS ACQUISITION OF MGE?**

15 A. As shown in Table 2, below, the transaction was funded with a mix of capital, principally
16 long-term debt and common equity.

17 **Table 2: MGE Acquisition Sources and Uses of Funds**¹⁴

Sources of Funds		Uses of Funds	
Acquirer Cash	\$107	Purchase of Assets	\$975
NEG Proceeds	11	Fees and Expenses	38
New First Mortgage Bonds	450		
Common Stock	445		
Total Sources	\$1,013		\$1,013

18
¹² Rebuttal Testimony and Schedules of Michael P. Gorman, at 7.

¹³ Rebuttal Testimony and Schedules of Michael P. Gorman, at 8.

¹⁴ Laclede Group Investor Presentation, September 2013, at 20.

1 **Q. DID MR. GORMAN SUGGEST THE ACQUISITION WAS NOT FUNDED BY A**
2 **MIX OF DEBT AND EQUITY?**

3 A. No, he did not. Rather, he assumed the tangible assets (generally, the rate base) were
4 financed with a mix of debt and equity, but goodwill was financed entirely with common
5 equity.

6 **Q. IS IT POSSIBLE TO TRACE SPECIFIC PORTIONS OF THE ACQUISITION**
7 **FINANCING TO SPECIFIC ASSETS, INCLUDING GOODWILL, AS MR.**
8 **GORMAN SUGGESTS?**

9 A. No, it is not. Cash is fungible – a given dollar cannot be traced from its source to its use.
10 As noted above, the acquisition was financed with a mix of capital; specific portions of
11 the financing were not raised to fund specific portions of the acquisition. Rather, the
12 acquisition financing, as a whole, funded the transaction in its entirety, including tangible
13 utility assets and goodwill. It therefore is not possible to say the goodwill was financed
14 only with equity.

15 The principle of fungibility cannot be applied to one group of assets, but not
16 others. It either applies, or it does not. If it does, all long-term capital applies to all long-
17 term assets, including goodwill. Nowhere has Mr. Gorman suggested that certain
18 portions of Laclede's long-lived assets were financed with specific sources of financing,
19 nor would it have been reasonable for him to have done so. Rather, his proposal is that
20 the Company's rate base, taken as a whole, should be financed with a mix of debt and
21 equity. That is, Mr. Gorman properly assumes fungibility applies when it comes to the

1 capital financing the rate base.¹⁵ But, he improperly assumes fungibility does not apply
2 when it comes to the capital financing of goodwill. He cannot have it both ways.

3 **Q. ARE YOU AWARE OF OTHER UTILITY COMMISSIONS THAT HAVE**
4 **ADDRESSED THE QUESTION OF WHETHER FUNGIBILITY MAY BE**
5 **SELECTIVELY APPLIED?**

6 A. Yes. In Arkansas, for example, the principle of capital fungibility has long-been
7 accepted. There, the Arkansas Public Service Commission (the “APSC”) explained that
8 the issue surrounding fungibility was whether “...certain liabilities can be specifically
9 identified and associated with certain assets.”¹⁶ In assessing that issue, the Commission
10 noted the testimony of Staff witness Dr. Berry, who stated that:

11 You either think fungibility is appropriate, or you don't.
12 You don't draw the line and say, 'Well, certain liabilities
13 are fungible, but certain other liabilities are not.' It's either
14 all or nothing with fungibility.¹⁷

15 The APSC agreed with Dr. Berry, finding fungibility cannot be applied on an asset-by-
16 asset basis. In particular, the APSC found that “...all liabilities are fungible sources of
17 funds that are used to fund each and every asset of the utility.”¹⁸ The APSC did not draw
18 distinctions regarding specific assets and whether or not the fungibility of capital applied
19 to those assets.

20 **Q. PLEASE NOW SUMMARIZE THE IMPLICATIONS OF CAPITAL**
21 **FUNGIBILITY FOR MR. GORMAN'S PROPOSED GOODWILL**
22 **ADJUSTMENT.**

¹⁵ That is not to say I agree with Mr. Gorman's proposed capital structure.

¹⁶ Arkansas Public Service Commission, Docket No. 84-199-U, Order No. 7, at 12.

¹⁷ Arkansas Public Service Commission, Docket No. 84-199-U, Order No. 7, at 13.

¹⁸ Arkansas Public Service Commission, Docket No. 04-121-U, Order No. 16, at 4.

1 A. As the APSC noted, “it’s either all or nothing with fungibility.” Mr. Gorman cannot say
2 on the one hand that all assets included in the rate base were financed with his proposed
3 mix of long-term debt and common equity, but on the other hand goodwill was financed
4 with common equity alone. That point is made clear by the fact that the MGE transaction
5 – including both tangible and intangible assets – was financed with a mix of long-term
6 debt and common equity. Mr. Gorman’s assumption that goodwill alone is an exception
7 to the original financing and the principle of fungibility is unsupported and should be
8 rejected.

9 **Q. WHAT IS YOUR RESPONSE TO MR. GORMAN’S ARGUMENT THAT**
10 **GOODWILL MUST BE ASSUMED TO HAVE BEEN FINANCED WITH**
11 **COMMON EQUITY BECAUSE DOING OTHERWISE WOULD BE**
12 **“IMPRUDENT”?**

13 A. Putting aside the fungible nature of capital, Mr. Gorman’s argument mistakenly assumes
14 equity investors would be satisfied with investing in an asset that produces no “economic
15 value”. That cannot be true. Because even a risk-free asset produces a return, no rational
16 investor would knowingly commit equity capital to an asset assumed to have no
17 economic value.

18 As a practical matter, an equity investor commits funds based on the expectation,
19 and the requirement, to earn a compensatory return derived from all assets (tangible and
20 intangible) owned by the subject company. Any successful capital offering, whether it is
21 debt or equity, depends on the profitability and cash flow generated by the entire
22 enterprise. That was the case in the MGE transaction, for which capital was raised in
23 excess of the book value of MGE’s tangible assets, giving rise to the approximately \$210

1 million goodwill balance. In addition, and as Mr. Buck explained in his Direct True-Up
2 Testimony, the Company recently was able to raise \$170 million of debt at attractive
3 financing costs.¹⁹ In large measure, it was able to do so based on investors' expectations
4 regarding the Company's financial strength, including the regulatory capital structure.

5 **Q. IN YOUR EXPERIENCE, WOULD EQUITY INVESTORS EVALUATE THE**
6 **OVERALL VALUE CREATED BY THE MGE TRANSACTION, RATHER**
7 **THAN FOCUSING ON A SINGLE ELEMENT, SUCH AS THE GOODWILL**
8 **ARISING FROM IT?**

9 A. Yes, they would. In my experience, equity investors would look to the entirety of the
10 value created by the transaction, including the synergies that are, and will be reflected in
11 the Company's cost of service.²⁰ Mr. Gorman's approach, on the other hand, not only
12 ignores the benefits accruing to customers from those synergies, it would penalize the
13 investors whose capital enabled those benefits in the first place. Again, Mr. Gorman's
14 proposed adjustment is inappropriately one-sided. Whereas Mr. Gorman's proposed
15 adjustment is inappropriate simply because there is no basis to assume equity investors
16 alone funded the acquisition premium, it is made even more so by its effect of penalizing
17 the investors whose capital enabled the cost savings that will benefit customers.

18 **Q. DO YOU AGREE WITH MR. GORMAN'S PREMISE THAT EQUITY ALONE**
19 **SHOULD BE REMOVED FROM THE COMPANY'S CAPITAL STRUCTURE**
20 **BECAUSE EQUITY ALONE WOULD BE WRITTEN DOWN IN THE EVENT**
21 **THERE WAS AN IMPAIRMENT ARISING FROM THE TRANSACTION?**

¹⁹ Direct True-up Testimony of Glenn W. Buck, at 2.

²⁰ See, Direct Testimony of C. Eric Lobser, at 25 – 26; Direct Testimony of Thomas J. Flaherty, at 60 – 72.

1 A. No, I do not. As a preliminary matter, it important to note Mr. Gorman’s premise
2 assumes an event that has not occurred. To that point, I understand that on July 31st of
3 each year, Laclede tests its goodwill balances, including the carrying value of MGE, for
4 impairments. As Spire stated in its 2016 SEC Form 10-K, because the fair value of those
5 assets exceeded the carrying value, no impairment charge has been taken.²¹ I understand
6 the same finding (that is, no impairment has occurred) has been made in each of the three
7 years following the MGE acquisition. Contrary to Mr. Gorman’s premise, therefore, the
8 MGE transaction has created economic value.

9 **Q. IS IT REASONABLE TO ASSUME GOODWILL WAS FINANCED ENTIRELY**
10 **BY EQUITY BECAUSE IF AN IMPAIRMENT WERE TO BE RECOGNIZED, IT**
11 **WOULD BE CHARGED AGAINST COMMON EQUITY?**

12 A. No, it is not. A loss on *any* asset, whether it is tangible or intangible, is written down
13 against common equity. That does not mean that the asset was initially funded entirely
14 with common equity. It simply means that, from an investment and accounting
15 perspective, equity investors bear the “residual risk” associated with utility operations,
16 including the risk of impairment.

17 **Q. WHAT WOULD LACLEDE’S CAPITAL STRUCTURE LOOK LIKE IF THE**
18 **COMMISSION ASSIGNED EQUITY TO EVERY ASSET THAT, IF WRITTEN**
19 **DOWN, WOULD REDUCE COMMON EQUITY?**

20 A. Because a loss on all assets, both tangible and intangible, would result in a write-down of
21 common equity, Mr. Gorman’s approach effectively would suggest a capital structure of
22 100.00 percent equity and 0.00 percent long-term debt. By any measure such an

²¹ Spire, Inc., SEC Form 10-K for the fiscal year ended September 30, 2016, at 81.

1 unbalanced capital structure is far from optimal - I certainly would not recommend that
2 approach.

3 **Q. HAS THE FACT THAT OTHER ASSETS BEAR THE RISK OF**
4 **DISALLOWANCE AND A CORRESPONDING WRITE DOWN AGAINST**
5 **COMMON EQUITY LED THIS COMMISSION TO ALLOCATE ONLY**
6 **COMMON EQUITY TO THAT ASSET?**

7 A. No, it has not. I understand the Commission typically allocates the overall cost of
8 capital, including both debt and equity, to such assets. For example, I understand that in
9 this proceeding the Company has included nearly \$200 million of regulatory assets in its
10 rate base. I further understand the Company would receive a return of and on those
11 assets. Under Mr. Gorman's approach, it could be argued that because of the potential
12 for write-offs, the return on the Company's regulatory assets should be based solely on its
13 Cost of Equity, rather than the overall Rate of Return (including both debt and equity)
14 that traditionally has been applied.

15 In fact, OPC has argued the opposite – that the return on those assets should
16 include the cost of debt only, with no recognition of the equity supporting them.²² In my
17 view, those two positions cannot be reconciled: We cannot say goodwill adjustments
18 should be made only to equity because equity investors bear the risk of write-downs, but
19 regulatory assets, which also are subject to the risk of write-downs, should receive no
20 equity return.

21 **Q. IS IT CORRECT THAT AN IMPAIRMENT WOULD ONLY AFFECT THE**
22 **BOOK VALUE OF EQUITY?**

²² Direct Testimony of David G. Pitts, at 17. See, also, Rebuttal Testimony of Glenn W. Buck, at 9 – 13.

1 A. No, it is not. Although impairment charges are taken against the book value of equity,
2 that does not mean debtholders would be unaffected. Certainly, the disclosure of an
3 impairment would be seen by all investors as an increase in business risk. To the extent
4 business risks increase, returns required by debt investors also will increase. When that
5 happens, the market value of traded debt will fall until the yield adequately compensates
6 debt investors for that additional risk.²³ The original holders of that debt therefore would
7 be negatively affected by an impairment charge; the consequence is not isolated to equity
8 investors.

9 **Q. IS ANY PORTION OF THE \$210 MILLION GOODWILL INCLUDED IN THE**
10 **COMPANY’S REGULATORY RATE BASE?**

11 A. No, as noted earlier I understand the goodwill balance has been excluded from the
12 Company’s rate base.²⁴

13 **Q. IS YOUR UNDERSTANDING CONSISTENT WITH THE STIPULATION,**
14 **WHICH WAS APPROVED BY THE COMMISSION IN ITS ORDER**
15 **APPROVING THE ACQUISITION OF MGE BY LACLEDE?**

16 A. Yes, it is. Although I am not an attorney, a plain reading of the Stipulation indicates the
17 intent of the parties was to ensure the acquisition premium would not be reflected in
18 rates, either directly or indirectly. As the Stipulation states, “[n]either Laclede Gas nor its
19 MGE division shall seek either direct or indirect rate recovery or recognition of any
20 acquisition premium in any future general ratemaking proceeding in Missouri.”²⁵

²³ Bond prices and yields move in opposite directions.

²⁴ True-Up Direct Testimony of Michael R. Noack, Laclede Gas Company, Schedule B (PDF 12); Missouri Gas Energy Schedule B (PDF 55).

²⁵ Case No. GM-2013-0254, Stipulation and Agreement, July 2, 2013, at Para. 3.a.

1 **Q. IN YOUR VIEW, IS IT REASONABLE TO ADJUST THE CAPITAL**
2 **STRUCTURE TO REMOVE EQUITY FROM THE CAPITAL STRUCTURE TO**
3 **ACCOUNT FOR GOODWILL, WHEN GOODWILL IS NOT INCLUDED IN**
4 **THE RATE BASE?**

5 A. No, it is not. The Company has excluded goodwill from its rate base, and is not seeking
6 to directly or indirectly recognize or recover a portion of it. Nonetheless, Mr. Gorman
7 specifically recognizes goodwill by removing it from the capital structure, entirely from
8 common equity

9 **Q. WOULD MR. GORMAN'S PROPOSED TREATMENT OF GOODWILL**
10 **REQUIRE AN UPWARD ADJUSTMENT TO THE COMPANY'S AUTHORIZED**
11 **RETURN ON EQUITY?**

12 A. Yes, it would. If Mr. Gorman's proposed treatment of goodwill were adopted, investors
13 would see any transaction including goodwill as requiring a reduction to the equity
14 component of capital structure, with a resulting reduction to the cost of service used to set
15 rates. Under that construct, debt and equity investors both would face heightened
16 financial and regulatory risk, and would require higher returns as compensation for that
17 increased risk.

18 **Q. WHAT ARE YOUR CONCLUSIONS REGARDING MR. GORMAN'S**
19 **PROPOSED GOODWILL ADJUSTMENT?**

20 A. Quite simply, Mr. Gorman's proposed adjustment should be rejected. Not only is his
21 proposal inconsistent with the actual method by which the MGE acquisition was
22 financed, it ignores the basic financial principle of capital fungibility, is inconsistent with
23 how other assets are treated, and runs counter to the Stipulation's stated intent to ensure

1 rates are not affected by the MGE acquisition premium. Moreover, if adopted, Mr.
2 Gorman's proposal would reduce the Company's cash flows, increasing the risk of
3 impairment. Because the Stipulation calls for customers to be held harmless from the
4 costs of impairment, Mr. Gorman's proposal presents the risk of a cycle in which
5 investors are subject to increasing risks and decreasing returns, eventually threatening the
6 Company's ability to efficiently raise capital.

7 **V. THE COMPANY'S CAPITAL STRUCTURE IS REASONABLE AND SHOULD**
8 **BE ADOPTED**

9 **Q. DO YOU AGREE WITH MR. GORMAN'S POSITION THAT HIS ESTIMATED**
10 **47.20 PERCENT EQUITY RATIO (ASSUMING HIS PROPOSED GOODWILL**
11 **ADJUSTMENT) IS REASONABLE?**

12 A. No, I do not. Mr. Gorman argues Laclede's capital structure is unreasonable, in part
13 because it exceeds the range of those authorized for other natural gas utilities. In that
14 regard, Mr. Gorman suggests median authorized equity ratios have been in the range of
15 49.90 percent to 52.45 percent, and the average has been around 51.00 percent. He
16 reasons that by reference to those ratios, the Company's proposed capital structure does
17 not contain enough long-term debt.²⁶

18 It should be noted that Mr. Gorman's range is based on annual medians over the
19 eight years ended 2017; his 51.00 percent average reflects equity ratio over the same
20 period. From that perspective, Mr. Gorman appears to suggest a range, with the 51.00
21 percent average as the overall measure of central tendency. Mr. Gorman's proposed
22 equity ratio of 47.20 percent falls below the range set by his reported medians, and 3.80

²⁶ Rebuttal Testimony and schedules of Michael P. Gorman, at 11 – 13.

1 percentage points below the 51.00 percent average equity ratio. If we are to consider a
2 range, because Mr. Gorman's recommendation is 3.80 percentage points below his
3 reported 51.00 percent average, the upper portion would be 3.80 percentage points above
4 the average, or 54.80 percent. The Company's 54.20 percent equity ratio falls well
5 within that range.

6 **Q. ARE THERE OTHER REASONS MR. GORMAN'S REPORTED AVERAGE**
7 **AUTHORIZED EQUITY RATIO SHOULD NOT BE USED AS A STRICT**
8 **BENCHMARK?**

9 A. Yes, there are. Although utilities have common financing considerations, each has its
10 own risk profile, and its own target capital structure. Consequently, there is no reason to
11 assume the average (or the median) authorized equity ratio is the proper measure of
12 Laclede's capital structure. Rather, because no two companies are identical, the better
13 perspective is the range of equity ratios. From that perspective, the Company's actual
14 capital structure (as provided in Mr. Buck's Direct True-up testimony) is well within the
15 range of those approved since 2010, and generally within one standard deviation of each
16 year's average (see Table 3, below).

17

1

Table 3: Authorized Equity Ratios (Natural Gas Utilities)²⁷

Year	Average	Standard Deviation	Average + 1 Std. Dev.	Minimum	Maximum
2010	49.25	4.13	53.37	38.66	59.24
2011	52.49	4.40	56.88	42.88	58.06
2012	51.13	4.32	55.45	40.25	59.63
2013	51.16	3.05	54.21	46.94	59.30
2014	51.90	3.01	54.91	45.89	58.96
2015	49.79	3.00	52.79	42.01	53.54
2016	51.85	3.71	55.55	48.00	60.50
2017	50.67	3.34	54.01	42.90	55.70

2

3 **Q. MR. GORMAN ARGUES HIS RECOMMENDATION “IS ADEQUATE TO**
4 **SUPPORT THEIR CURRENT INVESTMENT GRADE BOND RATING, BUT AT**
5 **A MUCH LOWER COST THAN THE CAPITAL STRUCTURE PROPOSED BY**
6 **LACLEDE/MGE.”²⁸ DO YOU AGREE WITH MR. GORMAN ON THAT**
7 **POINT?**

8 **A.** I generally agree with the principle that the capital structure should support Laclede’s
9 financial integrity while ensuring customers take on no more cost burden than needed.
10 Minimizing the overall Rate of Return, however, is not the same as optimizing the capital
11 structure.²⁹ For that reason alone, I disagree with Mr. Gorman’s conclusion that his
12 proposed 47.20 percent equity ratio is appropriate.

13 **Q. COULD MR. GORMAN’S POSITION BE INTERPRETED AS ARGUING THE**
14 **OVERALL RATE OF RETURN SHOULD BE MINIMIZED SUBJECT TO**

²⁷ Source: SNL Financial. Excludes Arkansas, Florida, Indiana, and Michigan.

²⁸ Rebuttal Testimony of Michael P. Gorman, at 14.

²⁹ As the Federal Energy Regulatory Commission noted, “[we] recognize that a utility may consider a range of factors beyond simple capital cost minimization in developing their capital structures. Such considerations include, but are not limited to, managing risk and cash flow.” 148 FERC ¶ 61,049 Docket No. EL14-12-000, at Para. 197.

1 **MAINTAINING THE COMPANY’S CURRENT INVESTMENT GRADE**
2 **RATING?**

3 A. Yes, although as explained below, that approach oversimplifies both capital structure
4 optimization, and the credit rating determination process. Because Mr. Gorman’s
5 approach does not adequately address those two important considerations, his
6 recommendation should be disregarded.

7 **Q. PLEASE BRIEFLY SUMMARIZE THE ISSUES SURROUNDING UTILITY**
8 **CAPITAL STRUCTURE MANAGEMENT.**

9 A. In many ways, the nature of regulation determines the nature of utility assets, and how
10 those assets are financed. In fulfilling their obligation to serve, utilities make large,
11 essentially irreversible investments that are recovered over decades at what should be
12 compensatory costs of capital. Unlike the unregulated entities that Mr. Gorman
13 references,³⁰ utilities generally do not have the option to delay, defer, or reject many large
14 capital investments. Because their operations are capital-intensive and meeting their
15 service obligation is not discretionary, utilities generally do not have the option to avoid
16 raising external funds during periods of capital market distress. Those conditions make
17 capital structure optimization both dynamic and complex.

18 **Q. IN YOUR EXPERIENCE, WHAT FACTORS ARE CONSIDERED IN UTILITY**
19 **CAPITAL STRUCTURE MANAGEMENT AND OPTIMIZATION?**

20 A. In addition to cost rates, the factors considered in making both day-to-day, and long-term
21 financing decisions include the availability and cost of different forms of financing at a
22 particular time, existing and expected capital market conditions (including the availability
23 of capital, the terms at which capital may be acquired, and the ability to subsequently

³⁰ See, Rebuttal Testimony of Michael P. Gorman, at 15.

1 “roll over” maturing financings), cash flow contingencies, planned and existing capital
2 spending plans, rating agency criteria, and lead times associated with changing from
3 short-term to long-term financing. Only by analyzing all such factors can a regulated
4 utility establish an optimal financing plan, and maintain an optimal capital structure.

5 It also is important to keep in mind that capital structures, and the financial
6 strength they support, are set not only to ensure capital access during normal markets, but
7 to enable access when markets are constrained. The reason is straightforward: The
8 obligation to serve is not contingent on capital market conditions. When markets are
9 constrained, only those utilities with sufficient financial strength are able to attract capital
10 at reasonable terms. As Laclede’s own experience during the 2008 capital market
11 contraction demonstrated, this critically important financing flexibility can save
12 customers millions and even tens of millions of dollars in financing costs over multiple
13 years.³¹

14 Although capital structure optimization is complex, there are certain principles
15 that commonly apply among utilities. In my experience, the financing practice
16 sometimes referred to as “duration matching” is chief among those principles. Duration
17 matching generally aligns the average life of the securities in the capital structure with the
18 average lives of the assets being financed. As noted by Brigham and Houston, “[t]his
19 strategy minimizes the risk that the firm will be unable to pay off its maturing
20 obligations.”

³¹ On September 23, 2008, Laclede Gas issued \$80 million of 30-year First Mortgage Bonds at 6.85 percent, which was within four basis points of the concurrent Moody’s Utility A Index yield (6.81 percent). On that date, the Moody’s Baa Index yield was 7.49 percent, or 64 basis points higher than the yield on the Laclede Gas bonds. Over the 30-year life of those bonds, the savings relating to Laclede’s higher rating is \$15.36 million. By October 31, 2008, the yield on the Moody’s Utility A, and BAA Indices reached 8.01 percent, and 9.27 percent, respectively. Sources: The Laclede Group SEC Form 10-K for the fiscal year ending September 30, 2009, at 70; Bloomberg Professional.

1 **Q. HOW DOES DURATION MATCHING AFFECT CAPITAL STRUCTURE**
2 **DECISIONS?**

3 A. Because long-term debt generally has a duration shorter than the average life of the rate
4 base, common equity is needed to extend the capital structure's duration to more closely
5 match that of the rate base.³² That is, because of its perpetual life, common equity
6 extends the weighted average life of the capital structure and mitigates financing risk.
7 Conversely, relying more heavily on debt reduces the weighted average duration, and
8 increases the risk of refinancing maturing obligations during less accommodating market
9 environments. Mr. Gorman's recommendation therefore would add financing and
10 financial risk, with no recognition of that additional risk in the cost of capital.

11 **Q. PLEASE NOW EXPLAIN WHY YOU BELIEVE MR. GORMAN'S FOCUS ON**
12 **CREDIT RATINGS, AND THE IMPORTANCE OF EQUITY RATIOS IN**
13 **DETERMINING THOSE RATINGS, IS AN OVERSIMPLIFICATION.**

14 A. As discussed above, financing decisions focus on the nature of the assets providing utility
15 service, and recognize the many constraints brought about by the obligation to serve.
16 Although ratings criteria are a consideration in financing decisions, they are neither the
17 sole objective of capital structure management, nor the principal determinant of credit
18 ratings, themselves. Rather, corporate financing practice considers multiple objectives
19 and constraints, and credit ratings reflect a broad range of qualitative and quantitative
20 analyses.

21 **Q. ARE CREDIT RATINGS PRINCIPALLY DETERMINED BY**
22 **CAPITALIZATION RATIOS?**

³² That is in addition to the "financial risk" associated with increasing degrees of debt.

1 A. No, they are not. Moody’s Investors Service (“Moody’s”), for example, applies only
2 7.50 percent weight to the ratio of debt to total capitalization in determining credit
3 ratings. In contrast, often-qualitative factors focused on the “Regulatory Framework”,
4 and the “Ability to Recover Costs and Earn Returns” represent 50.00 percent of the
5 factors weighed in determining credit ratings.³³ As Moody’s notes:

6 While the Regulatory Framework looks at the transparency
7 and predictability of the rules that govern the decision-
8 making process with respect to utilities, the Ability to
9 Recover Costs and Earn Returns evaluates the regulatory
10 elements that directly impact the ability of the utility to
11 generate cash flow and service its debt over time. The
12 ability to recover prudently incurred costs on a timely basis
13 and to attract debt and equity capital are crucial credit
14 considerations.³⁴

15 It also is important to keep in mind that the approved ROE and equity ratio are
16 important determinants of cash flow. Whereas 7.50 percent of Moody’s ratings are
17 attributed to the capital structure, 32.50 percent are focused on cash flow-related
18 metrics.³⁵ Mr. Gorman’s recommendation, which would diminish cash flow (due to his
19 unduly low recommended equity ratio) would put downward pressure on those cash flow-
20 related credit metrics. That diluted cash flow, together with the adverse effects Mr.
21 Gorman’s proposals would have on the regulatory factors that represent 50.00 percent of
22 Moody’s ratings, would create further downward pressure on the Company’s financial
23 and credit profile. In summary, although capitalization ratios are meaningful, they are
24 not the principal determinant of credit ratings.

³³ Moody’s Investors Service, *Rating Methodology, Regulated Electric and Gas Utilities*, June 23, 2017, at 4.

³⁴ Moody’s Investors Service, *Rating Methodology, Regulated Electric and Gas Utilities*, June 23, 2017, at 12.

³⁵ Moody’s Investors Service, *Rating Methodology, Regulated Electric and Gas Utilities*, June 23, 2017, at 4.

1 **Q. HAS STANDARD & POOR’S (“S&P”) PROVIDED SIMILAR GUIDANCE**
2 **REGARDING THE FACTORS CONSIDERED IN ITS RATINGS**
3 **DETERMINATIONS?**

4 A. Yes, Standard & Poor’s has long made clear how credit metrics affect its ratings
5 determinations. On November 30, 2007, S&P released a statement announcing that
6 electric, gas, and water utility ratings would be “categorized under the business/financial
7 risk matrix used by the Corporate Ratings group.”³⁶ S&P also provided matrices of
8 business and financial risk, based on “Financial Risk Indicative Ratios”: FFO/Debt;
9 FFO/Interest; and Total Debt/Capital. In that announcement, S&P noted that:

10 ...even after we assign a company business risk and
11 financial risk, the committee does not arrive by rote at a
12 rating based on the matrix. The matrix is a guide - - it is
13 not intended to convey precision in the ratings process or
14 reduce the decision to plotting intersections on a graph.
15 Many small positives and negatives that affect credit
16 quality can lead a committee to a different conclusion than
17 what is indicated in the matrix.

18 On May 27, 2009, S&P expanded its matrix, and noted the relative significance of credit
19 metrics to the rating process:

20 The rating matrix indicative outcomes are what we
21 typically observe - - but are not meant to be precise
22 indications of guarantees of future rating opinions. Positive
23 and negative nuances in our analysis may lead to a notch
24 higher or lower than the outcomes indicated in the various
25 cells of the matrix... Still, it is essential to realize that the
26 financial benchmarks are guidelines, neither gospel nor
27 guarantees

28 Moreover, our assessment of financial risk is not as
29 simplistic as looking at a few ratios.³⁷

³⁶ Standard & Poor’s Ratings Services, *U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix*, Nov. 30, 2007, at 2 – 3.

³⁷ Standard & Poor’s Ratings Services, *Criteria Methodology: Business Risk/Financial Risk Matrix Expanded*, May 27, 2009.

1 Later, on September 18, 2012, S&P further expanded its matrix, confirming that “[s]till, it
2 is essential to realize that the financial benchmarks are guidelines, neither gospel nor
3 guarantees.”³⁸

4 It therefore is clear that credit metrics are not relied on in a rote fashion, nor are
5 individual metrics reviewed in isolation, to the exclusion of other information. Rather,
6 rating agency reviews encompass broad assessments of business and financial risk, and
7 reflect significant elements of qualitative information.

8 **Q. ARE YOU AWARE OF ANY INDUSTRY ANALYSTS THAT ASSESS THE**
9 **REGULATORY ENVIRONMENT ACROSS JURISDICTIONS?**

10 A. Yes. Regulatory Research Associates (“RRA”), which is the source of the data contained
11 in Mr. Gorman’s Table 3, provides an assessment of the extent to which regulatory
12 jurisdictions are constructive from investors’ perspectives, or not. As RRA explains, less
13 constructive environments are associated with higher levels of risk:

14 RRA maintains three principal rating categories, Above
15 Average, Average, and Below Average, with Above
16 Average indicating a relatively more constructive, lower-
17 risk regulatory environment from an investor viewpoint,
18 and Below Average indicating a less constructive, higher-
19 risk regulatory climate from an investor viewpoint. Within
20 the three principal rating categories, the numbers 1, 2, and
21 3 indicate relative position. The designation 1 indicates a
22 stronger (more constructive) rating; 2, a mid range rating;
23 and, 3, a weaker (less constructive) rating. We endeavor to
24 maintain an approximately equal number of ratings above
25 the average and below the average.³⁹

26 RRA currently rates Missouri “Below Average/1. To put that rating in perspective,
27 Missouri falls among the bottom nine of the 53 jurisdictions rated by RRA. In fact, only

³⁸ Standard & Poor’s Ratings Services, *Methodology: Business Risk/Financial Risk Matrix Expanded*, September 18, 2012.

³⁹ Source: Regulatory Research Associates, accessed November 15, 2017.

1 five jurisdictions have lower ratings.⁴⁰ In my view, if adopted, Mr. Gorman's
2 recommendation to authorize an equity ratio far below the average he reports would
3 reinforce, if not increase, the financial community's current view of regulatory risk in
4 Missouri.

5 **Q. WHAT CONCLUSIONS DO YOU DRAW FROM THAT INFORMATION?**

6 A. In my view, and in my experience, Mr. Gorman's assessment of the appropriate capital
7 structure in this proceeding is oversimplified – it does not consider the many complex
8 factors that influence either capital structure management, or credit ratings. Because that
9 is the case, Mr. Gorman's recommended hypothetical capital structure should be rejected
10 in favor of the Company's actual capital structure.

11 **VI. SUMMARY AND CONCLUSIONS**

12 **Q. PLEASE NOW BRIEFLY SUMMARIZE YOUR FINDINGS AND CONCLUSION.**

13 A. Mr. Gorman's proposed goodwill adjustment is based on a flawed and unsupported
14 assumption (that in the MGE transaction, goodwill was financed entirely with equity, but
15 the rate base was financed with a mix of long-term debt and equity); is one-sided (it
16 would remove equity he believes is associated with goodwill from the capital structure
17 even though goodwill is not included in the rate base); is inconsistent with fundamental
18 financial principles (it disregards the principle of capital fungibility); and runs counter to
19 the Stipulation's intent to ensure rates are not affected by the MGE acquisition premium.
20 For those reasons, his proposed goodwill adjustment should be rejected.

⁴⁰ Four jurisdictions are rated "Below Average/1", three are rated "Below Average/2", and two are rated "Below Average/3".

1 Lastly, Mr. Gorman's assessment of the Company's actual capital structure is
2 greatly oversimplified - it does not reasonably consider the complexity of either capital
3 structure management, or the credit rating determination process. Consequently, his
4 conclusion that the proper capital structure includes only 47.20 percent common equity
5 should be disregarded.

6 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

7 A. Yes, it does.



Summary

Bob Hevert is a financial and economic consultant with more than 30 years of broad experience in the energy and utility industries. He has an extensive background in the areas of corporate finance, mergers and acquisitions, project finance, asset and business unit valuation, rate and regulatory matters, energy market assessment, and corporate strategic planning. He has provided expert testimony on a wide range of financial, strategic, and economic matters on more than 200 occasions at the state, provincial, and federal levels.

Prior to joining ScottMadden, Bob served as managing partner at Sussex Economic Advisors, LLC. Throughout the course of his career, he has worked with numerous leading energy companies and financial institutions throughout North America. He has provided expert testimony and support of litigation in various regulatory proceedings on a variety of energy and economic issues. Bob earned a B.S. in business and economics from the University of Delaware and an M.B.A. with a concentration in finance from the University of Massachusetts at Amherst. Bob also holds the Chartered Financial Analyst designation.

Areas of Specialization

- Regulation and rates
- Utilities
- Fossil/hydro generation
- Markets and RTOs
- Nuclear generation
- Mergers and acquisitions
- Regulatory strategy and rate case support
- Capital project planning
- Strategic and business planning

Recent Expert Testimony Submission/Appearance

- Federal Energy Regulatory Commission – Return on Equity
- New Jersey Board of Public Utilities – Merger Approval
- New Mexico Public Regulation Commission – Cost of Capital and Financial Integrity
- United States District Court – PURPA and FERC Regulations
- Alberta Utilities Commission – Return on Equity and Capital Structure

Recent Assignments

- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies, the Alberta Utilities Commission, and the Federal Energy Regulatory Commission
- For an independent electric transmission provider in Texas, prepared an expert report on the economic damages with respect to failure to meet guaranteed completion dates. The report was filed as part of an arbitration proceeding and included a review of the ratemaking implications of economic damages
- Advised the board of directors of a publicly traded electric and natural gas combination utility on dividend policy issues, earnings payout trends and related capital market considerations
- Assisted a publicly traded utility with a strategic buy-side evaluation of a gas utility with more than \$1 billion in assets. The assignment included operational performance benchmarking, calculation of merger synergies, risk analysis, and review of the regulatory implications of the transaction
- Provided testimony before the Arkansas Public Service Commission in support of the acquisition of SourceGas LLC by Black Hills Corporation. The testimony addressed certain balance sheet capitalization and credit rating issues
- For the State of Maine Public Utility Commission, prepared a report that summarized the Northeast and Atlantic Canada natural gas power markets and analyzed the potential benefits and costs associated with natural gas pipeline expansions. The independent report was filed at the Maine Public Utility Commission

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company	06/16	ENSTAR Natural Gas Company	Matter No. TA 285-4	Return on Equity
ENSTAR Natural Gas Company	08/14	ENSTAR Natural Gas Company	Matter No. TA 262-4	Return on Equity
Alberta Utilities Commission				
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc., and FortisAlberta Inc.	10/17	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc., and FortisAlberta Inc.	2018 General Cost of Capital, Proceeding ID. 22570	Rate of Return
EPCOR Energy Alberta G.P. Inc.	01/17	EPCOR Energy Alberta G.P. Inc.	Proceeding 22357	Energy Price Setting Plan
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	02/16	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	2016 General Cost of Capital, Proceeding ID. 20622	Rate of Return
Arizona Corporation Commission				
Southwest Gas Corporation	05/16	Southwest Gas Corporation	Docket No. G-01551A-16-017	Return on Equity
Southwest Gas Corporation	11/10	Southwest Gas Corporation	Docket No. G-01551A-10-0458	Return on Equity
Arkansas Public Service Commission				
Oklahoma Gas and Electric Company	09/16	Oklahoma Gas and Electric Company	Docket No. 16-052-U	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	11/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	Docket No. 15-098-U	Return on Equity
SourceGas Arkansas, Inc.	03/15	SourceGas Arkansas, Inc.	Docket No. 15-011-U	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	01/07	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	Docket No. 06-161-U	Return on Equity
California Public Utilities Commission				
Southwest Gas Corporation	12/12	Southwest Gas Corporation	Docket No. A-12-12-024	Return on Equity
Colorado Public Utilities Commission				
Atmos Energy Corporation	06/17	Atmos Energy Corporation	Docket No. 17AL-0429G	Return on Equity
Xcel Energy, Inc.	03/15	Public Service Company of Colorado	Docket No. 15AL-0135G	Return on Equity (gas)
Xcel Energy, Inc.	06/14	Public Service Company of Colorado	Docket No. 14AL-0660E	Return on Equity (electric)
Xcel Energy, Inc.	12/12	Public Service Company of Colorado	Docket No. 12AL-1268G	Return on Equity (gas)
Xcel Energy, Inc.	11/11	Public Service Company of Colorado	Docket No. 11AL-947E	Return on Equity (electric)
Xcel Energy, Inc.	12/10	Public Service Company of Colorado	Docket No. 10AL-963G	Return on Equity (electric)
Atmos Energy Corporation	07/09	Atmos Energy Colorado-Kansas Division	Docket No. 09AL-507G	Return on Equity (gas)



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Xcel Energy, Inc.	12/06	Public Service Company of Colorado	Docket No. 06S-656G	Return on Equity (gas)
Xcel Energy, Inc.	04/06	Public Service Company of Colorado	Docket No. 06S-234EG	Return on Equity (electric)
Xcel Energy, Inc.	08/05	Public Service Company of Colorado	Docket No. 05S-369ST	Return on Equity (steam)
Xcel Energy, Inc.	05/05	Public Service Company of Colorado	Docket No. 05S-246G	Return on Equity (gas)
Connecticut Public Utilities Regulatory Authority				
Connecticut Light and Power Company	06/14	Connecticut Light and Power Company	Docket No. 14-05-06	Return on Equity
Southern Connecticut Gas Company	09/08	Southern Connecticut Gas Company	Docket No. 08-08-17	Return on Equity
Southern Connecticut Gas Company	12/07	Southern Connecticut Gas Company	Docket No. 05-03-17PH02	Return on Equity
Connecticut Natural Gas Corporation	12/07	Connecticut Natural Gas Corporation	Docket No. 06-03-04PH02	Return on Equity
Delaware Public Service Commission				
Delmarva Power & Light Company	08/17	Delmarva Power & Light Company	Docket No. 17-0977 (Electric)	Return on Equity
Delmarva Power & Light Company	08/17	Delmarva Power & Light Company	Docket No. 17-0978 (Gas)	Return on Equity
Delmarva Power & Light Company	05/16	Delmarva Power & Light Company	Case No. 16-649 (Electric)	Return on Equity
Delmarva Power & Light Company	05/16	Delmarva Power & Light Company	Case No. 16-650 (Gas)	Return on Equity
Delmarva Power & Light Company	03/13	Delmarva Power & Light Company	Case No. 13-115	Return on Equity
Delmarva Power & Light Company	12/12	Delmarva Power & Light Company	Case No. 12-546	Return on Equity
Delmarva Power & Light Company	03/12	Delmarva Power & Light Company	Case No. 11-528	Return on Equity
District of Columbia Public Service Commission				
Potomac Electric Power Company	07/16	Potomac Electric Power Company	Formal Case No. FC1139	Return on Equity
Washington Gas Light Company	02/16	Washington Gas Light Company	Formal Case No. FC1137	Return on Equity
Potomac Electric Power Company	03/13	Potomac Electric Power Company	Formal Case No. FC1103-2013-E	Return on Equity
Potomac Electric Power Company	07/11	Potomac Electric Power Company	Formal Case No. FC1087	Return on Equity
Federal Energy Regulatory Commission				
Sabine Pipeline, LLC	09/15	Sabine Pipeline, LLC	Docket No. RP15-1322-000	Return on Equity
NextEra Energy Transmission West, LLC	07/15	NextEra Energy Transmission West, LLC	Docket No. ER15-2239-000	Return on Equity
Maritimes & Northeast Pipeline, LLC	05/15	Maritimes & Northeast Pipeline, LLC	Docket No. RP15-1026-000	Return on Equity
Public Service Company of New Mexico	12/12	Public Service Company of New Mexico	Docket No. ER13-685-000	Return on Equity
Public Service Company of New Mexico	10/10	Public Service Company of New Mexico	Docket No. ER11-1915-000	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
Portland Natural Gas Transmission System	05/10	Portland Natural Gas Transmission System	Docket No. RP10-729-000	Return on Equity
Florida Gas Transmission Company, LLC	10/09	Florida Gas Transmission Company, LLC	Docket No. RP10-21-000	Return on Equity
Maritimes and Northeast Pipeline, LLC	07/09	Maritimes and Northeast Pipeline, LLC	Docket No. RP09-809-000	Return on Equity
Spectra Energy	02/08	Saltville Gas Storage	Docket No. RP08-257-000	Return on Equity
Panhandle Energy Pipelines	08/07	Panhandle Energy Pipelines	Docket No. PL07-2-000	Response to draft policy statement regarding inclusion of MLPs in proxy groups for determination of gas pipeline ROEs
Southwest Gas Storage Company	08/07	Southwest Gas Storage Company	Docket No. RP07-541-000	Return on Equity
Southwest Gas Storage Company	06/07	Southwest Gas Storage Company	Docket No. RP07-34-000	Return on Equity
Sea Robin Pipeline LLC	06/07	Sea Robin Pipeline LLC	Docket No. RP07-513-000	Return on Equity
Transwestern Pipeline Company	09/06	Transwestern Pipeline Company	Docket No. RP06-614-000	Return on Equity
GPU International and Aquila	11/00	GPU International	Docket No. EC01-24-000	Market Power Study
Florida Public Service Commission				
Florida Power & Light Company	03/16	Florida Power & Light Company	Docket No. 160021-EI	Return on Equity
Tampa Electric Company	04/13	Tampa Electric Company	Docket No. 130040-EI	Return on Equity
Georgia Public Service Commission				
Atlanta Gas Light Company	05/10	Atlanta Gas Light Company	Docket No. 31647-U	Return on Equity
Hawaii Public Utilities Commission				
Maui Electric Company, Limited	10/17	Maui Electric Company, Limited	Docket No. 2017-0150	Return on Equity
Hawaiian Electric Company, Inc.	12/16	Hawaiian Electric Company, Inc.	Docket No. 2016-0328	Return on Equity
Hawai'i Electric Light Company, Inc.	09/16	Hawai'i Electric Light Company, Inc.	Docket No. 2015-0170	Return on Equity
Maui Electric Company, Limited	12/14	Maui Electric Company, Limited	Docket No. 2014-0318	Return on Equity
Hawaiian Electric Company, Inc.	06/14	Hawaiian Electric Company, Inc.	Docket No. 2013-0373	Return on Equity
Hawai'i Electric Light Company, Inc.	08/12	Hawai'i Electric Light Company, Inc.	Docket No. 2012-0099	Return on Equity
Illinois Commerce Commission				
Ameren Illinois Company d/b/a Ameren Illinois	01/15	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 15-0142	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	03/14	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Docket No. 14-0371	Return on Equity
Ameren Illinois Company d/b/a Ameren Illinois	01/13	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 13-0192	Return on Equity
Ameren Illinois Company d/b/a Ameren Illinois	02/11	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 11-0279	Return on Equity (electric)
Ameren Illinois Company d/b/a Ameren Illinois	02/11	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 11-0282	Return on Equity (gas)
Indiana Utility Regulatory Commission				
Indiana Michigan Power Company	7/17	Indiana Michigan Power Company	Cause No. 44967	Return on Equity
Duke Energy Indiana, Inc.	12/15	Duke Energy Indiana, Inc.	Cause No. 44720	Return on Equity
Duke Energy Indiana, Inc.	12/14	Duke Energy Indiana, Inc.	Cause No. 44526	Return on Equity
Northern Indiana Public Service Company	05/09	Northern Indiana Public Service Company	Cause No. 43894	Assessment of Valuation Approaches
Kansas Corporation Commission				
Kansas City Power & Light Company	01/15	Kansas City Power & Light Company	Docket No. 15-KCPE-116-RTS	Return on Equity
Maine Public Utilities Commission				
Northern Utilities, Inc.	05/17	Northern Utilities, Inc.	Docket No. 2017-00065	Return on Equity
Central Maine Power Company	06/11	Central Maine Power Company	Docket No. 2010-327	Response to Bench Analysis provided by Commission Staff relating to the Company's credit and collections processes
Maryland Public Service Commission				
Delmarva Power & Light Company	07/17	Delmarva Power & Light Company	Case No. 9455	Return on Equity
Potomac Electric Power Company	03/17	Potomac Electric Power Company	Case No. 9443	Return on Equity
Potomac Electric Power Company	06/16	Potomac Electric Power Company	Case No. 9424	Return on Equity
Potomac Electric Power Company	06/16	Potomac Electric Power Company	Case No. 9418	Return on Equity
Potomac Electric Power Company	12/13	Potomac Electric Power Company	Case No. 9336	Return on Equity
Delmarva Power & Light Company	03/13	Delmarva Power & Light Company	Case No. 9317	Return on Equity



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Potomac Electric Power Company	11/12	Potomac Electric Power Company	Case No. 9311	Return on Equity
Potomac Electric Power Company	12/11	Potomac Electric Power Company	Case No. 9286	Return on Equity
Delmarva Power & Light Company	12/11	Delmarva Power & Light Company	Case No. 9285	Return on Equity
Delmarva Power & Light Company	12/10	Delmarva Power & Light Company	Case No. 9249	Return on Equity
Massachusetts Department of Public Utilities				
NSTAR Electric Company Western and Massachusetts Electric Company each d/b/a Eversource Energy	01/17	NSTAR Electric Company Western Massachusetts Electric Company each d/b/a Eversource Energy	DPU 17-05	Return on Equity
National Grid	11/15	Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid	DPU 15-155	Return on Equity
Fitchburg Gas and Electric Light Company d/b/a Until	06/15	Fitchburg Gas and Electric Light Company d/b/a Until	DPU 15-80	Return on Equity
NSTAR Gas Company	12/14	NSTAR Gas Company	DPU 14-150	Return on Equity
Fitchburg Gas and Electric Light Company d/b/a Until	07/13	Fitchburg Gas and Electric Light Company d/b/a Until	DPU 13-90	Return on Equity
Bay State Gas Company d/b/a Columbia Gas of Massachusetts	04/12	Bay State Gas Company d/b/a Columbia Gas of Massachusetts	DPU 12-25	Capital Cost Recovery
National Grid	08/09	Massachusetts Electric Company d/b/a National Grid	DPU 09-39	Revenue Decoupling and Return on Equity
National Grid	08/09	Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid	DPU 09-38	Return on Equity – Solar Generation
Bay State Gas Company	04/09	Bay State Gas Company	DPU 09-30	Return on Equity
NSTAR Electric	09/04	NSTAR Electric	DTE 04-85	Divestiture of Power Purchase Agreement
NSTAR Electric	08/04	NSTAR Electric	DTE 04-78	Divestiture of Power Purchase Agreement
NSTAR Electric	07/04	NSTAR Electric	DTE 04-68	Divestiture of Power Purchase Agreement

SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
NSTAR Electric	07/04	NSTAR Electric	DTE 04-61	Divestiture of Power Purchase Agreement
NSTAR Electric	06/04	NSTAR Electric	DTE 04-60	Divestiture of Power Purchase Agreement
Unitil Corporation	01/04	Fitchburg Gas and Electric	DTE 03-52	Integrated Resource Plan; Gas Demand Forecast
Bay State Gas Company	01/93	Bay State Gas Company	DPU 93-14	Divestiture of Shelf Registration
Bay State Gas Company	01/91	Bay State Gas Company	DPU 91-25	Divestiture of Shelf Registration
Michigan Public Service Commission				
Indiana Michigan Power Company	05/17	Indiana Michigan Power Company	Case No. U-18370	Return on Equity
Minnesota Public Utilities Commission				
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/17	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-17-285	Return on Equity
ALLETE, Inc., d/b/a Minnesota Power Inc.	11/16	ALLETE, Inc., d/b/a Minnesota Power Inc.	Docket No. E015/GR-16-664	Return on Equity
Otter Tail Power Corporation	02/16	Otter Tail Power Company	Docket No. E017/GR-15-1033	Return on Equity
Minnesota Energy Resources Corporation	09/15	Minnesota Energy Resources Corporation	Docket No. G-011/GR-15-736	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-15-424	Return on Equity
Xcel Energy, Inc.	11/13	Northern States Power Company	Docket No. E002/GR-13-868	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/13	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-13-316	Return on Equity
Xcel Energy, Inc.	11/12	Northern States Power Company	Docket No. E002/GR-12-961	Return on Equity
Otter Tail Power Corporation	04/10	Otter Tail Power Company	Docket No. E-017/GR-10-239	Return on Equity
Minnesota Power a division of ALLETE, Inc.	11/09	Minnesota Power	Docket No. E-015/GR-09-1151	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	11/08	CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-08-1075	Return on Equity
Otter Tail Power Corporation	10/07	Otter Tail Power Company	Docket No. E-017/GR-07-1178	Return on Equity
Xcel Energy, Inc.	11/05	Northern States Power Company -Minnesota	Docket No. E-002/GR-05-1428	Return on Equity (electric)
Xcel Energy, Inc.	09/04	Northern States Power Company - Minnesota	Docket No. G-002/GR-04-1511	Return on Equity (gas)

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Mississippi Public Service Commission				
CenterPoint Energy Resources, Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Mississippi Gas	07/09	CenterPoint Energy Mississippi Gas	Docket No. 09-UN-334	Return on Equity
Missouri Public Service Commission				
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a/ Liberty Utilities	09/17	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a/ Liberty Utilities	Case No. GR-2018-0013	New Ratemaking Mechanisms
Union Electric Company d/b/a Ameren Missouri	07/16	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2016-0179	Return on Equity (electric)
Kansas City Power & Light Company	07/16	Kansas City Power & Light Company	Case No. ER-2016-0285	Return on Equity (electric)
Kansas City Power & Light Company	02/16	Kansas City Power & Light Company	Case No. ER-2016-0156	Return on Equity (electric)
Kansas City Power & Light Company	10/14	Kansas City Power & Light Company	Case No. ER-2014-0370	Return on Equity (electric)
Union Electric Company d/b/a Ameren Missouri	07/14	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2014-0258	Return on Equity (electric)
Union Electric Company d/b/a Ameren Missouri	06/14	Union Electric Company d/b/a Ameren Missouri	Case No. EC-2014-0223	Return on Equity (electric)
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	02/14	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Case No. GR-2014-0152	Return on Equity
Laclede Gas Company	12/12	Laclede Gas Company	Case No. GR-2013-0171	Return on Equity
Union Electric Company d/b/a Ameren Missouri	02/12	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2012-0166	Return on Equity (electric)
Union Electric Company d/b/a AmerenUE	09/10	Union Electric Company d/b/a AmerenUE	Case No. ER-2011-0028	Return on Equity (electric)
Union Electric Company d/b/a AmerenUE	06/10	Union Electric Company d/b/a AmerenUE	Case No. GR-2010-0363	Return on Equity (gas)
Montana Public Service Commission				
Northwestern Corporation	09/12	Northwestern Corporation d/b/a Northwestern Energy	Docket No. D2012.9.94	Return on Equity (gas)
Nevada Public Utilities Commission				
Southwest Gas Corporation	04/12	Southwest Gas Corporation	Docket No. 12-04005	Return on Equity (gas)
Nevada Power Company	06/11	Nevada Power Company	Docket No. 11-06006	Return on Equity (electric)
New Hampshire Public Utilities Commission				



SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
Northern Utilities, Inc.	06/17	Northern Utilities, Inc.	Docket No. DG 17-070	Return on Equity
Liberty Utilities d/b/a EnergyNorth Natural Gas	04/17	Liberty Utilities d/b/a EnergyNorth Natural Gas	Docket No. DG 17-048	Return on Equity
Unitil Energy Systems, Inc.	04/16	Unitil Energy Systems, Inc.	Docket No. DE 16-384	Return on Equity
Liberty Utilities d/b/a Granite State Electric Company	04/16	Liberty Utilities d/b/a Granite State Electric Company	Docket No. DE 16-383	Return on Equity
Liberty Utilities d/b/a EnergyNorth Natural Gas	08/14	Liberty Utilities d/b/a EnergyNorth Natural Gas	Docket No. DG 14-180	Return on Equity
Liberty Utilities d/b/a Granite State Electric Company	03/13	Liberty Utilities d/b/a Granite State Electric Company	Docket No. DE 13-063	Return on Equity
EnergyNorth Natural Gas d/b/a National Grid NH	02/10	EnergyNorth Natural Gas d/b/a National Grid NH	Docket No. DG 10-017	Return on Equity
Unitil Energy Systems, Inc., EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. – New Hampshire Division	08/08	Unitil Energy Systems, Inc., EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. – New Hampshire Division	Docket No. DG 07-072	Carrying Charge Rate on Cash Working Capital
New Jersey Board of Public Utilities				
Atlantic City Electric Company	03/17	Atlantic City Electric Company	Docket No. ER17030308	Return on Equity
Pivotal Utility Holdings, Inc.	08/16	Elizabethtown Gas	Docket No. GR16090826	Return on Equity
The Southern Company; AGL Resources Inc.; AMS Corp. and Pivotal Holdings, Inc. d/b/a Elizabethtown Gas	04/16	The Southern Company; AGL Resources Inc.; AMS Corp. and Pivotal Holdings, Inc. d/b/a Elizabethtown Gas	BPU Docket No. GM15101196	Merger Approval
Atlantic City Electric Company	03/16	Atlantic City Electric Company	Docket No. ER16030252	Return on Equity
Pepco Holdings, Inc.	04/14	Atlantic City Electric Company	Docket No. ER14030245	Return on Equity
Orange and Rockland Utilities	11/13	Rockland Electric Company	Docket No. ER13111135	Return on Equity
Atlantic City Electric Company	12/12	Atlantic City Electric Company	Docket No. ER12121071	Return on Equity
Atlantic City Electric Company	08/11	Atlantic City Electric Company	Docket No. ER11080469	Return on Equity
Pepco Holdings, Inc.	09/06	Atlantic City Electric Company	Docket No. EM06090638	Divestiture and Valuation of Electric Generating Assets



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Pepco Holdings, Inc.	12/05	Atlantic City Electric Company	Docket No. EM05121058	Market Value of Electric Generation Assets; Auction
Conectiv	06/03	Atlantic City Electric Company	Docket No. EO03020091	Market Value of Electric Generation Assets; Auction Process
New Mexico Public Regulation Commission				
Public Service Company of New Mexico	12/16	Public Service Company of New Mexico	Case No. 16-00276-UT	Return on Equity (electric)
Public Service Company of New Mexico	08/15	Public Service Company of New Mexico	Case No. 15-00261-UT	Return on Equity (electric)
Public Service Company of New Mexico	12/14	Public Service Company of New Mexico	Case No. 14-00332-UT	Return on Equity (electric)
Public Service Company of New Mexico	12/14	Public Service Company of New Mexico	Case No. 13-00390-UT	Cost of Capital and Financial Integrity
Southwestern Public Service Company	02/11	Southwestern Public Service Company	Case No. 10-00395-UT	Return on Equity (electric)
Public Service Company of New Mexico	06/10	Public Service Company of New Mexico	Case No. 10-00086-UT	Return on Equity (electric)
Public Service Company of New Mexico	09/08	Public Service Company of New Mexico	Case No. 08-00273-UT	Return on Equity (electric)
Xcel Energy, Inc.	07/07	Southwestern Public Service Company	Case No. 07-00319-UT	Return on Equity (electric)
New York State Public Service Commission				
Consolidated Edison Company of New York, Inc.	01/15	Consolidated Edison Company of New York, Inc.	Case No. 15-E-0050	Return on Equity (electric)
Orange and Rockland Utilities, Inc.	11/14	Orange and Rockland Utilities, Inc.	Case Nos. 14-E-0493 and 14-G-0494	Return on Equity (electric and gas)
Consolidated Edison Company of New York, Inc.	01/13	Consolidated Edison Company of New York, Inc.	Case No. 13-E-0030	Return on Equity (electric)
Niagara Mohawk Corporation d/b/a National Grid for Electric Service	04/12	Niagara Mohawk Corporation d/b/a National Grid for Electric Service	Case No. 12-E-0201	Return on Equity (electric)
Niagara Mohawk Corporation d/b/a National Grid for Gas Service	04/12	Niagara Mohawk Corporation d/b/a National Grid for Gas Service	Case No. 12-G-0202	Return on Equity (gas)
Orange and Rockland Utilities, Inc.	07/11	Orange and Rockland Utilities, Inc.	Case No. 11-E-0408	Return on Equity (electric)
Orange and Rockland Utilities, Inc.	07/10	Orange and Rockland Utilities, Inc.	Case No. 10-E-0362	Return on Equity (electric)
Consolidated Edison Company of New York, Inc.	11/09	Consolidated Edison Company of New York, Inc.	Case No. 09-G-0795	Return on Equity (gas)



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Consolidated Edison Company of New York, Inc.	11/09	Consolidated Edison Company of New York, Inc.	Case No. 09-S-0794	Return on Equity (steam)
Niagara Mohawk Power Corporation	07/01	Niagara Mohawk Power Corporation	Case No. 01-E-1046	Power Purchase and Sale Agreement; Standard Offer Service Agreement
North Carolina Utilities Commission				
Duke Energy Carolinas, LLC	08/17	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1146	Return on Equity
Duke Energy Progress, LLC	06/17	Duke Energy Progress, LLC	Docket No. E-2, Sub 1142	Return on Equity
Public Service Company of North Carolina, Inc.	03/16	Public Service Company of North Carolina, Inc.	Docket No. G-5, Sub 565	Return on Equity
Dominion North Carolina Power	03/16	Dominion North Carolina Power	Docket No. E-22, Sub 532	Return on Equity
Duke Energy Carolinas, LLC	02/13	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1026	Return on Equity
Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.	10/12	Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.	Docket No. E-2, Sub 1023	Return on Equity
Virginia Electric and Power Company d/b/a Dominion North Carolina Power	03/12	Virginia Electric and Power Company d/b/a Dominion North Carolina Power	Docket No. E-22, Sub 479	Return on Equity (electric)
Duke Energy Carolinas, LLC	07/11	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 989	Return on Equity (electric)
North Dakota Public Service Commission				
Otter Tail Power Company	11/08	Otter Tail Power Company	Docket No. 08-862	Return on Equity (electric)
Oklahoma Corporation Commission				
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	03/16	CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	Cause No. PUD201600094	Return on Equity
Oklahoma Gas & Electric Company	12/15	Oklahoma Gas & Electric Company	Cause No. PUD201500273	Return on Equity
Public Service Company of Oklahoma	07/15	Public Service Company of Oklahoma	Cause No. PUD201500208	Return on Equity
Oklahoma Gas & Electric Company	07/11	Oklahoma Gas & Electric Company	Cause No. PUD201100087	Return on Equity
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	03/09	CenterPoint Energy Oklahoma Gas	Cause No. PUD200900055	Return on Equity
Pennsylvania Public Utility Commission				
Pike County Light & Power Company	01/14	Pike County Light & Power Company	Docket No. R-2013-2397237	Return on Equity (electric & gas)

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Veolia Energy Philadelphia, Inc.	12/13	Veolia Energy Philadelphia, Inc.	Docket No. R-2013-2386293	Return on Equity (steam)
Rhode Island Public Utilities Commission				
The Narragansett Electric Company d/b/a National Grid	04/12	The Narragansett Electric Company d/b/a National Grid	Docket No. 4323	Return on Equity (electric & gas)
National Grid RI – Gas	08/08	National Grid RI – Gas	Docket No. 3943	Revenue Decoupling and Return on Equity
South Carolina Public Service Commission				
Duke Energy Progress, LLC	07/16	Duke Energy Progress, LLC	Docket No. 2016-227-E	Return on Equity
Duke Energy Carolinas, LLC	03/13	Duke Energy Carolinas, LLC	Docket No. 2013-59-E	Return on Equity
South Carolina Electric & Gas	06/12	South Carolina Electric & Gas	Docket No. 2012-218-E	Return on Equity
Duke Energy Carolinas, LLC	08/11	Duke Energy Carolinas, LLC	Docket No. 2011-271-E	Return on Equity
South Carolina Electric & Gas	03/10	South Carolina Electric & Gas	Docket No. 2009-489-E	Return on Equity
South Dakota Public Utilities Commission				
Otter Tail Power Company	08/10	Otter Tail Power Company	Docket No. EL10-011	Return on Equity (electric)
Northern States Power Company	06/09	South Dakota Division of Northern States Power	Docket No. EL09-009	Return on Equity (electric)
Otter Tail Power Company	10/08	Otter Tail Power Company	Docket No. EL08-030	Return on Equity (electric)
Texas Public Utility Commission				
Southwestern Public Service Company	08/17	Southwestern Public Service Company	Docket No. 47527	Return on Equity
Oncor Electric Delivery Company, LLC	03/17	Oncor Electric Delivery Company, LLC	Docket No. 46957	Return on Equity
El Paso Electric Company	02/17	El Paso Electric Company	Docket No. 46831	Return on Equity
Southwestern Public Service Company	12/16	Southwestern Public Service Company	Docket No. 46449	Return on Equity (electric)
Sharyland Utilities, L.P.	12/16	Sharyland Utilities, L.P.	Docket No. 45414	Return on Equity
Southwestern Public Service Company	02/16	Southwestern Public Service Company	Docket No. 44524	Return on Equity (electric)
Wind Energy Transmission Texas, LLC	05/15	Wind Energy Transmission Texas, LLC	Docket No. 44746	Return on Equity
Cross Texas Transmission	12/14	Cross Texas Transmission	Docket No. 43950	Return on Equity
Southwestern Public Service Company	12/14	Southwestern Public Service Company	Docket No. 43695	Return on Equity (electric)
Sharyland Utilities, L.P.	05/13	Sharyland Utilities, L.P.	Docket No. 41474	Return on Equity
Wind Energy Texas Transmission, LLC	08/12	Wind Energy Texas Transmission, LLC	Docket No. 40606	Return on Equity



SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Southwestern Electric Power Company	07/12	Southwestern Electric Power Company	Docket No. 40443	Return on Equity
Oncor Electric Delivery Company, LLC	01/11	Oncor Electric Delivery Company, LLC	Docket No. 38929	Return on Equity
Texas-New Mexico Power Company	08/10	Texas-New Mexico Power Company	Docket No. 38480	Return on Equity (electric)
CenterPoint Energy Houston Electric LLC	06/10	CenterPoint Energy Houston Electric LLC	Docket No. 38339	Return on Equity
Xcel Energy, Inc.	05/10	Southwestern Public Service Company	Docket No. 38147	Return on Equity (electric)
Texas-New Mexico Power Company	08/08	Texas-New Mexico Power Company	Docket No. 36025	Return on Equity (electric)
Xcel Energy, Inc.	05/06	Southwestern Public Service Company	Docket No. 32766	Return on Equity (electric)
Texas Railroad Commission				
Atmos Pipeline - Texas	01/17	Atmos Pipeline - Texas	Docket No. 10580	Return on Equity
CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Entex And CenterPoint Energy Texas Gas	12/16	CenterPoint Energy Resources Corp. D/B/A CenterPoint Energy Entex And CenterPoint Energy Texas Gas	D-GUD-10567	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	03/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10432	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	07/12	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10182	Return on Equity
Atmos Energy Corporation – West Texas Division	06/12	Atmos Energy Corporation – West Texas Division	GUD 10175	Return on Equity
Atmos Energy Corporation – Mid-Texas Division	06/12	Atmos Energy Corporation – Mid-Texas Division	GUD 10171	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	12/10	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10038	Return on Equity
Atmos Pipeline – Texas	09/10	Atmos Pipeline - Texas	GUD 10000	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	07/09	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 9902	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas	03/08	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas	GUD 9791	Return on Equity

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Utah Public Service Commission				
Questar Gas Company	12/07	Questar Gas Company	Docket No. 07-057-13	Return on Equity
Vermont Public Service Board				
Central Vermont Public Service Corporation; Green Mountain Power	02/12	Central Vermont Public Service Corporation; Green Mountain Power	Docket No. 7770	Merger Policy
Central Vermont Public Service Corporation	12/10	Central Vermont Public Service Corporation	Docket No. 7627	Return on Equity (electric)
Green Mountain Power	04/06	Green Mountain Power	Docket Nos. 7175 and 7176	Return on Equity (electric)
Vermont Gas Systems, Inc.	12/05	Vermont Gas Systems	Docket Nos. 7109 and 7160	Return on Equity (gas)
Virginia State Corporation Commission				
Virginia Electric and Power Company	03/17	Virginia Electric and Power Company	Case No. PUR-2017-00038	Return on Equity
Virginia Natural Gas, Inc.	03/17	Virginia Natural Gas, Inc.	Case No. PUE-2016-00143	Return on Equity
Virginia Electric and Power Company	10/16	Virginia Electric and Power Company	Case No. PUE-2016-00112; PUE-2016-00113; PUE-2016-00136	Return on Equity
Washington Gas Light Company	07/16	Washington Gas Light Company	Case No. PUE-2016-00001	Return on Equity
Virginia Electric and Power Company	06/16	Virginia Electric and Power Company	Case Nos. PUE-2016-00063; PUE-2016-00062; PUE-2016-00061; PUE-2016-00060; PUE-2016-00059	Return on Equity
Virginia Electric and Power Company	12/15	Virginia Electric and Power Company	Case Nos. PUE-2015-0058; PUE-2015-0059; PUE-2015-0060; PUE-2015-0061; PUE-2015-0075; PUE-2015-0089; PUE-2015-0102; PUE-2015-0104	Return on Equity
Virginia Electric and Power Company	03/15	Virginia Electric and Power Company	Case No. PUE-2015-00027	Return on Equity
Virginia Electric and Power Company	03/13	Virginia Electric and Power Company	Case No. PUE-2013-00020	Return on Equity
Virginia Natural Gas, Inc.	02/11	Virginia Natural Gas, Inc.	Case No. PUE-2010-00142	Capital Structure
Columbia Gas of Virginia, Inc.	06/06	Columbia Gas of Virginia, Inc.	Case No. PUE-2005-00098	Merger Synergies
Dominion Resources	10/01	Virginia Electric and Power Company	Case No. PUE000584	Corporate Structure and Electric Generation Strategy



Expert Report

United States District Court, Western District of Texas, Austin Division				
Southwestern Public Service Company	02/12	Southwestern Public Service Company	C.A. No. A-09-CA-917-SS	PURPA and FERC regulations

