

Exhibit No.:
Issue: *Affiliate Transactions*
Witness: *Charles R. Hyneman*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Direct Testimony*
File No.: *GC-2011-0098*
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MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

CHARLES R. HYNEMAN

LACLEDE GAS COMPANY

FILE NO. GC-2011-0098

Jefferson City, Missouri
March 2011

1 operating within the state of Missouri. I have participated in examinations of electric, natural
2 gas, water and telecommunication companies. I have been involved in cases concerning
3 proposed rate increases, earnings investigations, and complaint cases, as well as cases relating
4 to construction audits and prudence reviews, mergers and acquisitions and certifications.

5 Q. Have you previously testified before this Commission?

6 A. Yes. Schedule 1 to this testimony is a list of rate cases in which I have
7 submitted testimony.

8 Q. In your work as an auditor with the Commission have you obtained extensive
9 audit experience with utility affiliate transactions, shared corporate services, and corporate
10 allocations policies and procedures?

11 A. Yes. I have extensive audit experience in the area of affiliate transactions and
12 corporate allocations and have filed testimony with the Commission on these areas in several
13 utility rate case audits and proceedings. I have led audits on affiliate transactions and
14 corporate allocations on three separate major utility companies operating in Missouri.

15 Q. What is the purpose of your testimony?

16 A. The purpose of my testimony is to present facts that support the Missouri
17 Public Service Commission Staff's (Staff) complaint against Laclede Gas Company (Laclede)
18 and describe Laclede's noncompliance with 4 CSR 240-40.015 Affiliate Transactions
19 (Affiliate Transactions Rule) and 4 CSR 240-40.016 Marketing Affiliate Transactions
20 (Marketing Affiliate Transactions Rule) (collectively "the Rules")

21 Q. Are you familiar with Laclede?

22 A. Yes. Laclede is the largest natural gas local distribution company (LDC) in
23 Missouri and is regulated by the Commission.

1 Q. Have you reviewed Laclede's organizational structure?

2 A. Yes. The Laclede Group refers to itself as a diversified natural gas holding
3 company that is the parent organization of the regulated core utility component — Laclede
4 Gas Company and of a non-regulated component. The Laclede Group asserts that its
5 non-regulated component is being developed to achieve sustainable growth and its largest
6 non-regulated activity is Laclede Energy Resources (LER). LER is a nonregulated natural gas
7 marketer that purchases and sells natural gas primarily in the Midwest region of the
8 United States. The Laclede Group's Chairman of the Board of Directors, President and
9 Chief Executive Officer Douglas Yaeger refers to LER as "our steppingstone into the future."
10 On The Laclede Group's website, LER's role is describes as:

11 LER...provides both on-system transportation customers and
12 customers outside of Laclede's traditional service area with another
13 choice of unregulated natural gas suppliers. We continue efforts to
14 grow Laclede Energy Resources' sales to industrial and commercial
15 businesses, natural gas utilities and other wholesale customers. Laclede
16 Energy Resources offers its customers a variety of flexible pricing
17 alternatives. It also provides various energy management services.

18 The Laclede Group's other nonregulated subsidiaries include Laclede Venture
19 Corporation, Laclede Pipeline Corporation, Laclede Investment, Laclede Gas Family Services
20 Inc., and Laclede Development Company.

21 Q. Does Laclede's organization cause you any concern?

22 A. Yes. It is my opinion that Laclede's regulated gas customers have a significant
23 risk of paying higher utility rates if Laclede fails to properly allocate, assign, charge and
24 collect corporate shared services to other members of the Laclede Group. Staff found
25 significant concerns with Laclede's affiliate transactions in the Staff's May 2010 Revenue
26 Requirement Cost of Service Report (Staff Report) in Laclede's last general rate case,

1 Case No. GR-2010-0171. It is my opinion, based on the Staff Report, discussions with Staff
2 auditors who participated in this Laclede rate case, and my prior experience auditing affiliate
3 transactions and corporate shared services allocation issues Laclede has significant problems
4 in the area of affiliate transactions and shared service allocations that need to be addressed.

5 Q. Do you have concerns with Laclede's transactions with LER?

6 A. Yes. Laclede's Cost Allocation Manual (CAM), which I reviewed, contains
7 the asymmetrical pricing provisions (as will be described later in this testimony) as required
8 by the Commission in transactions between regulated utilities and affiliates as it relates to
9 shared corporate services. However, Laclede's CAM does not contain the asymmetrical
10 pricing requirement for what Laclede refers to as "Energy-Related Goods and Services"
11 (purchases and sales of natural gas supplies, transportation and storage capacity) between
12 Laclede and LER.

13 Q. What is the purpose and objective of the Commission's Rules on affiliate and
14 marketing affiliate transactions as related to a regulated gas corporation (regulated utility or
15 utility)?

16 A. The purpose and objective of the Rules are to prevent regulated utilities
17 from subsidizing its non-regulated operations. The Rules, coupled with effective
18 enforcement also provides public the assurance that utility rates are not adversely impacted by
19 the utilities' non-regulated activities. Cross subsidization occurs because utility management
20 has incentives to raise costs to ratepayers to generate higher returns to shareholders. If a
21 utility buys a service or good (e.g. natural gas) from an affiliated entity at an inflated price,
22 which would be a price above what the utility could acquire the service or good for itself or

1 from another supplier), utility management and utility shareholders benefit at utility
2 ratepayers' expense.

3 The rules seek to prevent cross subsidization because affiliate transactions, by their
4 very nature, create incentives for utility management to increase costs to the regulated utility
5 so profits can be recognized by the non-regulated entity. Without ratepayer protections, such
6 as the affiliate transaction rules, ratepayers would clearly be subsidizing non-regulated
7 operations. While the affiliate transaction rules by themselves do not eliminate the risk of this
8 occurring, the rules, coupled with effective utility oversight and effective enforcement of the
9 Rules does somewhat lessen the risk of excessive costs being charged to utility ratepayers.
10 However, even with close oversight and the affiliate transaction rules, the incentive for utility
11 management to subsidize nonregulated operations exists and will continue to exist as long as
12 utilities are allowed to transact business with affiliates. If a regulator allows utilities to
13 engage in affiliated transactions, substantive ratepayer protections must be put in place to
14 protect ratepayers from improper utility-affiliate behavior.

15 Q. How do the Rules attempt to accomplish this objective?

16 A. Whenever a regulated utility participates in a transaction with any of its
17 affiliated entities, the Commission put in place: 1) financial standards, 2) evidentiary
18 standards and 3) record keeping requirements in which the utility and its affiliates must
19 comply with to minimize the risk of affiliate abuse.

20 Q. What are the financial standards the Commission created to prevent regulated
21 utilities from subsidizing their nonregulated operations and provide ratepayers the assurance
22 that their rates are not adversely impacted by the utilities' nonregulated activities?

1 A. Listed below are some of the Commission's financial standards as reflected in
2 4 CSR 240-40.015(2):

- 3 1. Utility shall not provide a financial advantage to an affiliated entity.
- 4 2. Utility shall conduct its business in such a way as not to provide any
5 preferential service, information or treatment to an affiliated entity over
6 another party at any time.
- 7 3. Utility shall not participate in any affiliated transactions which are
8 not in compliance with this rule, except as otherwise provided in
9 section (10) of this rule.
- 10 4. If a customer requests information from the utility about goods or
11 services provided by an affiliated entity, the utility may provide
12 information about its affiliate but must inform the customer that
13 regulated services are not tied to the use of an affiliate provider and that
14 other service providers may be available.
- 15 5. Utility shall include in its annual Cost Allocation Manual (CAM),
16 the criteria, guidelines and procedures it will follow to be in
17 compliance with the rule.

18 Q. What are the standards in addition to the financial standards that the
19 Commission created to prevent regulated utilities from subsidizing their nonregulated
20 operations and provide ratepayers the assurance that their rates are not adversely impacted by
21 the utilities' nonregulated activities?

22 A. In addition to the financial standards, the rule also provides for
23 evidentiary standards (which support the financial standards) and require the utility to create
24 and maintain sufficient records to support its decision to enter into an affiliate transaction
25 (4 CSR 240-40.015(3) and 4 CSR 240-40.016 (4)). Finally, the rules include
26 record-keeping requirements that, among other things, that the utility keep records identifying

1 the basis (e.g., fair market price, fully distributed cost, etc.) to record the affiliate transaction
2 (4 CSR 240-40.015(5) and 4 CSR 24-40.016(5)).

3 Q. For purposes of this case, are there particular sections of the Rules with which
4 you are concerned?

5 A. Yes. In 4 CSR 240-40.015 (2)(A) the Rule states that a utility provides a
6 prohibited financial advantage to an affiliate in purchases from an affiliate or sales to an
7 affiliate if the utility does not apply the Rule's asymmetrical pricing standard.

8 In setting the price at which a utility can purchase from a non-regulated affiliate
9 (compensate), the Commission uses the "lower of cost or market" accounting or cost principle
10 to determine the maximum allowable compensation. In its Rule, the Commission required the
11 dollar amount ceiling when a regulated utility pays a non-affiliate for goods or services to be
12 the lower of *either* the fair market price of the good or service, or the cost to the utility to
13 provide the good or services to itself. In setting the price at which a utility can sell to (transfer
14 information, assets or goods and services) a non-regulated affiliate, the Commission uses the
15 "higher of cost or market" cost principle to determine the minimum allowable sales price for
16 all affiliate transactions, including shared corporate support services and energy-related sales
17 with affiliates. The difference in the method that the Commission allows a regulated entity to
18 pay for a good or service from an affiliate (the lower of cost or market) and the lowest
19 amount the Commission allows a regulated utility to sell to an affiliate for a good or service
20 (the higher of cost or market) is referred to as asymmetric pricing.

21 The exact language used by the Commission in its Rule at 40.015 is as follows:

22 (2) Standards.

23 (A) A regulated gas corporation shall not provide a financial advantage
24 to an affiliated entity. For the purposes of this rule, a regulated gas

1 corporation shall be deemed to provide a financial advantage to an
2 affiliated entity if—

3 1. It compensates an affiliated entity for goods or services above the
4 lesser of—

5 A. The fair market price; or

6 B. The fully distributed cost to the regulated gas corporation to provide
7 the goods or services for itself; or

8 2. It transfers information, assets, goods or services of any kind to an
9 affiliated entity below the greater of—

10 A. The fair market price; or

11 B. The fully distributed cost to the regulated gas corporation

12 Q. How does this relate to your concern with Laclede's CAM?

13 A. The Commission's Marketing Affiliate Transaction rule

14 4 CSR 240-40-016 (4)(D) states:

15 In transactions involving the purchase of information, assets, goods or
16 services by the regulated gas corporation from an affiliated entity, the
17 regulated gas corporation will use a commission-approved CAM which
18 sets forth cost allocation, market valuation and internal cost methods.
19 This CAM can use bench marking practices that can constitute
20 compliance with the market value requirements of this section if
21 approved by the commission.

22 The Rules further requires that a "regulated gas corporation shall not participate in any
23 affiliated transactions which are not in compliance with this rule" unless the utility requests a
24 variance (4 CSR 240-40.016(3)(D)).

25 Q. Count II of Staff's complaint alleges Laclede's CAM does not contain the
26 asymmetrical pricing requirement for goods or services purchased from an affiliate for gas
27 services. Have you reviewed Laclede's CAM?

28 A. Yes, I have reviewed Laclede's CAM most recently submitted CAM, which is
29 not dated.

30 Q. What are your concerns with this document?

1 A. Laclede's CAM, on page 1, indicates it "seeks" to address the "regulations
2 adopted by the Commission in its Affiliate Transactions Rules." However, under Section IX
3 on page 7, TRANSFER PRICING/COSTONG METHODOLOGY, Laclede requires
4 asymmetrical pricing for "*Use of Facilities or Services*" and defines both "*Fair Market Price*"
5 and "*Fully Distributed Cos*" as its pricing standards. However, under "Gas supply services"
6 on page 13, Laclede has a different pricing standard.

7 Q. What is that pricing standard?

8 A. Laclede's CAM contains the following pricing provisions for gas supply
9 purchases from an affiliate (Laclede CAM at p. 13):

10 Gas supply purchases - shall be the fair market price which shall be
11 determined as the average price of similar purchases made by Laclede
12 Gas Company or other firms from non-affiliated entities entered into at
13 similar times for similar duration and location of such purchases. If
14 such purchases do not exist, the fair market price will be determined for
15 the location and period in question by using an industry accepted index
16 price or index prices applicable to such location published in either
17 Gas Daily, Inside FERC, or other similar publication widely accepted
18 in the industry for determining the value of such gas supplies.

19 Q. Does this pricing provision comply with the Commission's rules?

20 A. No, obviously it does not. The Commission requires an asymmetrical pricing
21 standard (the price has to be the lower of cost or market for utility purchases and the price has
22 to be the higher of cost or market for utility sales). Laclede has created and inserted into its
23 CAM for both gas sales and purchases a symmetrical, single-variable pricing standard
24 (the only variable or pricing criteria is Laclede's definition of a fair market price). It is not the
25 required asymmetrical pricing provisions required by the Rules to be used by Laclede when it
26 sells to or purchases from affiliates.

1 Q. How does the Commission’s adoption of the asymmetrical pricing standard
2 affect the pricing of transactions between Laclede Gas Company and LER when Laclede
3 makes sales to its affiliate LER?

4 A. As described above, in setting the price at which Laclede can sell to LER, the
5 Commission uses the “higher of cost or market” accounting or cost principle to determine the
6 minimum allowable sales price. This is why the Commission’s pricing rules for affiliated
7 purchases and sales are referred to as asymmetrical – a utility can purchase at the lower of
8 cost or market, but must sell at the higher of cost or market. These rules are intentionally
9 designed to protect regulated ratepayers from paying higher rates for gas costs due to affiliate
10 abuse.

11 The higher of cost or market principle is specifically designed to prevent a regulated
12 utility from providing favorable treatment to its affiliate by harming its regulated customers.
13 If a utility treats its affiliate in exactly the same manner as it would a
14 non-affiliate gas customer, in all respects, regulated customers will be protected. However,
15 this is not done in the case of utility affiliate transactions which involve the sharing of
16 information, sharing corporate services and facilities, sharing executive management, and
17 other factors which exist with utility-affiliate relationships that do not exist with utility-
18 unaffiliated entity relationships. Under the higher of cost of market principle, the
19 Commission sets a floor or minimum dollar amount of any payment from LER to a Laclede in
20 the sale of a good or service. That dollar amount floor is either the fair market price of the
21 good or service (what price Laclede can purchase gas on the open market in that transaction),
22 or the cost to the utility to provide the good or service to itself, the fully distributed cost as
23 defined in 4 CSR 240-40.015(1)(F).

1 If a utility sells to an affiliate a good or service below the Commission-established
2 floor amount, the Commission determines that the utility is providing a financial advantage to
3 its affiliate and this transaction would be a violation of the Commission's Rules.

4 Q. Has Laclede requested a variance from the Commission to use these standards
5 for gas supply purchases or sales?

6 A. No. I have reviewed the Commission's records for Laclede's filings and I
7 have not found any such filing or Commission order granting a variance. I have also inquired
8 of other Staff auditors who have been associated with Laclede and its CAM and they are not
9 aware of any variance sought by Laclede related to its decision not to apply the asymmetric
10 pricing provisions of the Rules to its gas supply purchases or sales.

11 Q. Count III of Staff's complaint alleges Laclede has never filed for Commission
12 approval of its CAM. Is this a concern?

13 A. Yes. As noted above, 4 CSR 240-40.016 (4)(D) Evidentiary Standards for
14 Affiliate Transactions states that in transactions involving the purchase of goods or services
15 by the regulated gas corporation from an affiliated entity, the regulated gas corporation will
16 use a **commission-approved** CAM, which sets forth cost allocation, market valuation and
17 internal cost methods.”(emphasis added.)

18 Q. Has Laclede purchased goods or services from an affiliated entity?

19 A. Yes. I have reviewed two of Laclede's recent Annual Reports submitted in the
20 BAFT section of EFIS, which is used as a depository for non-case related utility submissions.
21 On page 10 of its 2008 Annual Report for the Fiscal Year Ending September 30 2008,
22 Laclede briefly lists goods and services it purchased from its affiliates, LER, Laclede Pipeline
23 Company and SM&P Utility Resources, Inc. In its 2009 Annual Report for the Fiscal Year

1 Ending September 30, 2009, on page 12, Laclede lists the total cost of “each service and
2 good” it purchased from affiliates LER and Laclede Pipeline Company.

3 Q. What is your conclusion from this review?

4 A. My conclusion based on general knowledge and confirmed in this review is
5 that Laclede routinely engages in the type of activity which requires it to submit its CAM for
6 commission approval.

7 Q. Has Laclede ever submitted its CAM for Commission approval?

8 A. No. I have searched the Commission’s records and I have not found any filing
9 in which Laclede has submitted its CAM for Commission approval. I have also viewed
10 Commission proceedings where counsel for Laclede, Mr. Michael Pendergast has admitted
11 that, while he believes Laclede has come closer to getting approval of its CAM than other
12 utilities; Laclede has not submitted or received Commission approval of its CAM.

13 Q. In Count IV Staff alleges Laclede has not filed the information required by
14 4 CSR 240-40.015 (2)(E) and by 4 CSR 240-40.016 (3)(E) with its CAM. What does this
15 section of the rules require?

16 A. This section requires “[t]he regulated gas corporation shall include in its annual
17 Cost Allocation manual (CAM), the criteria, guidelines and procedures it will follow to be in
18 compliance with the rule.”

19 Q. You indicated earlier in your testimony you reviewed Laclede’s undated CAM,
20 which “seeks” to comply with the Commission’s rules. Did this CAM contain Laclede’s plan
21 to comply with the rules you noted above?

22 A. Yes.

23 Q. Have you reviewed Laclede’s annual CAM submissions?

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1 A. Yes, I have reviewed Laclede's annual submissions in the Commission's
2 BAFT submission for years 2008 through 2010.

3 Q. How does Laclede label these annual submissions?

4 A. It calls them "COST ALLOCATION MANUAL." It also includes the
5 description "Annual Report."

6 Q. In your review did you find the criteria, guidelines and procedures it (Laclede)
7 will follow to be in compliance with the Commission's Affiliate transactions rules as required
8 by 4 CSR 240-40.015(2)(E).

9 A. No. There is no information regarding the criteria, guidelines and procedures
10 Laclede will follow to be in compliance with the Commission's rules.

11 Q. In your opinion has Laclede complied with the Commission's affiliate
12 transactions rules?

13 A. No. As noted in the testimony above, Laclede to a very significant extent has
14 not been in compliance with and continues not to be in compliance with the Commission's
15 Affiliate Transaction Rules and Marketing Affiliate Transaction Rules.

16 Q. Does this conclude your direct testimony?

17 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

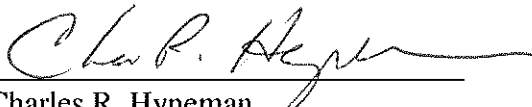
The Staff of the Missouri Public Service)
Commission, Complainant, v. Laclede Gas)
Company, Laclede Energy Resources and)
The Laclede Group, Respondents)

Case No. GC-2011-0098

AFFIDAVIT OF CHARLES R. HYNEMAN

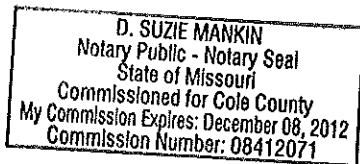
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)


Charles R. Hyneman, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 13 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Charles R. Hyneman

Subscribed and sworn to before me this 22nd day of March, 2011.





Notary Public

CHARLES R. HYNEMAN

CASE PARTICIPATION

Date Filed	Case Name	Case Number	Issue	Exhibit
2/25/11	Empire District Electric Company	ER-2011-0004	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan Construction Project For Costs Reported As Of October 30, 2010
2/23/11	Empire District Electric Company	ER-2011-0004	Generally Accepted Auditing Standards (GAAS)/ Iatan 1 and Iatan 2 and Common Construction Audit and Prudence Review/Plum Point Construction Audit and Prudence Review	Direct
2/23/11	Empire District Electric Company	ER-2011-0004	Staff's Construction Audit and Prudence Review of Plum Point	Construction Audit and Prudence Review Plum Point For Costs Reported as of October 31, 2010
2/22/11	Kansas City Power and Light Company-Greater Missouri Operations	ER-2010-0356	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan Construction Project For Costs Reported As Of October 30, 2010
2/22/11	Kansas City Power and Light Company	ER-2010-0355	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan Construction Project For Costs Reported As Of October 30, 2010
11/3/10	Kansas City Power and Light Company-Greater Missouri Operations	ER-2010-0356	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan Construction Project For Costs Reported As Of June 30, 2010

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CASE PARTICIPATION

Date Filed	Case Name	Case Number	Issue	Exhibit
11/3/10	Kansas City Power and Light Company	ER-2010-0355	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan Construction Project For Costs Reported As Of June 30, 2010
11/17/10, 12/15/10, 1/12/11	Kansas City Power and Light Company-Greater Missouri Operations	ER-2010-0355	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review/Generally Accepted Auditing Standards/DSM Costs	Direct/Rebuttal Surrebuttal
11/10/10, 12/8/10, 1/5/11	Kansas City Power and Light Company	ER-2010-0355	Iatan 1 and Iatan 2 and Common Plant Construction Audit and Prudence Review/Generally Accepted Auditing Standards/DSM Costs	Direct/Rebuttal Surrebuttal
8/6/2010	Kansas City Power and Light Company-Greater Missouri Operations	ER-2010-0356	Iatan 1 AQCS Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan 1 Environmental Upgrades (Air Quality Control System - AQCS) For Costs Reported As Of April 30, 2010
8/6/2010	Kansas City Power and Light Company	ER-2010-0355	Iatan 1 AQCS Construction Audit and Prudence Review	Staff's Construction Audit And Prudence Review Of Iatan 1 Environmental Upgrades (Air Quality Control System - AQCS) For Costs Reported As Of April 30, 2010

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CASE PARTICIPATION

Date Filed	Case Name	Case Number	Issue	Exhibit
1/1/2010	Kansas City Power and Light Company-Greater Missouri Operations	ER-2009-0090	Iatan 1 AQCS Construction Audit and Prudence Review	Staff's Report Regarding Construction Audit and Prudence Review of Environmental Upgrades to Iatan 1 and Iatan Common Plant
12/31/2009	Kansas City Power and Light Company	ER-2009-0089	Iatan 1 AQCS Construction Audit and Prudence Review	Staff's Report Regarding Construction Audit and Prudence Review of Environmental Upgrades to Iatan 1 and Iatan Common Plant
4/09/2009	Kansas City Power and Light Company-Greater Missouri Operations	ER-2009-0090	Transition costs, SJLP SERP, Acquisition Detriments, Capacity Costs, Crossroads Deferred Taxes	Surrebuttal
3/13/2009	Kansas City Power and Light Company-Greater Missouri Operations	ER-2009-0090	Crossroads Energy Center, Acquisition Saving and Transition Cost Recovery	Rebuttal
2/27/2009	Kansas City Power and Light Company-Greater Missouri Operations	ER-2009-0090	Various Ratemaking issues	Direct COS Report
4/7/2009	Kansas City Power and Light Company	ER-2009-0089	Transition Costs, Talent Assessment Program, SERP, STB Recovery, Settlements, Refueling Outage, Expense Disallowance	Surrebuttal
3/11/2009	Kansas City Power and Light Company	ER-2009-0089	KCPL Acquisition Savings and Transition Costs	Rebuttal
02/11/2009	Kansas City Power and Light Company	ER-2009-0089	Corporate Costs, Merger Costs, Warranty Payments	Direct COS Report
09/24/2007	Kansas City Power and Light Company	ER-2007-0291	Miscellaneous A&G Expense	Surrebuttal

CHARLES R. HYNEMAN**CASE PARTICIPATION**

Date Filed	Case Name	Case Number	Issue	Exhibit
7/24/2007	Kansas City Power and Light Company	ER-2007-0291	Miscellaneous	Staff COS Report
07/24/2007	Kansas City Power and Light Company	ER-2007-0291	Talent Assessment, Severance, Hawthorn V Subrogation Proceeds	Direct
03/20/2007	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER-2007-0004	Hedging Policy Plant Capacity	Surrebuttal
02/20/2007	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER-2007-0004	Natural Gas Prices	Rebuttal
01/18/2007	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER-2007-0004	Fuel Prices Corporate Allocation	Direct
11/07/2006	Kansas City Power and Light Company	ER-2006-0314	Fuel Prices	True-Up
10/06/2006	Kansas City Power and Light Company	ER-2006-0314	Severance, SO ₂ Liability, Corporate Projects	Surrebuttal
08/08/2006	Kansas City Power and Light Company	ER-2006-0314	Fuel Prices Miscellaneous Adjustments	Direct
12/13/2005	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER-2005-0436	Natural Gas Prices; Supplemental Executive Retirement Plan Costs; Merger Transition Costs	Surrebuttal
12/13/2005	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	HR-2005-0450	Natural Gas Prices; Supplemental Executive Retirement Plan Costs; Merger Transition Costs	Surrebuttal
11/18/2005	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER-2005-0436	Natural Gas Prices	Rebuttal
10/14/2005	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER-2005-0436	Corporate Allocations, Natural Gas Prices Merger Transition Costs	Direct
10/14/2005	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	HR-2005-0450	Corporate Allocations, Natural Gas Prices Merger Transition Costs	Direct
02/15/2005	Missouri Gas Energy	GU20050095	Accounting Authority Order	Direct
01/14/2005	Missouri Gas Energy	GU20050095	Accounting Authority Order	Direct

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CASE PARTICIPATION

Date Filed	Case Name	Case Number	Issue	Exhibit
06/14/2004	Missouri Gas Energy	GR20040209	Alternative Minimum Tax; Stipulation Compliance; NYC Office; Executive Compensation; Corporate Incentive Compensation; True-up Audit; Pension Expense; Cost of Removal; Lobbying.	Surrebuttal
04/15/2004	Missouri Gas Energy	GR20040209	Pensions and OPEBs; True-Up Audit; Cost of Removal; Prepaid Pensions; Lobbying Activities; Corporate Costs; Miscellaneous Adjustments	Direct
02/13/2004	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	HR20040024	Severance Adjustment; Supplemental Executive Retirement Plan; Corporate Cost Allocations	Surrebuttal
02/13/2004	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER20040034	Severance Adjustment; Corporate Cost Allocations; Supplemental Executive Retirement Plan	Surrebuttal
01/06/2004	Aquila, Inc.	GR20040072	Corporate Allocation Adjustments; Reserve Allocations; Corporate Plant	Direct
12/09/2003	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	HR20040024	Current Corporate Structure; Aquila's Financial Problems; Aquila's Organizational Structure in 2001; Corporate History; Corporate Plant and Reserve Allocations; Corporate Allocation Adjustments	Direct
12/09/2003	Aquila, Inc. d/b/a Aquila Networks-MPS and Aquila Networks-L&P	ER20040034	Corporate Plant and Reserve Allocations; Corporate Allocation Adjustments; Aquila's Financial Problems; Aquila's Organizational Structure in 2001; Corporate History; Current Corporate Structure	Direct
03/17/2003	Southern Union Co. d/b/a Missouri Gas Energy	GM20030238	Acquisition Detriment	Rebuttal

CHARLES R. HYNEMAN**CASE PARTICIPATION**

Date Filed	Case Name	Case Number	Issue	Exhibit
08/16/2002	The Empire District Electric Company	ER2002424	Prepaid Pension Asset; FAS 87 Volatility; Historical Ratemaking Treatments-Pensions & OPEB Costs; Pension Expense-FAS 87 & OPEB Expense-FAS 106; Bad Debt Expense; Sale of Emission Credits; Revenues	Direct
04/17/2002	UtiliCorp United, Inc. d/b/a Missouri Public Service & St. Joseph Light & Power	GO2002175	Accounting Authority Order	Rebuttal
01/22/2002	UtiliCorp United, Inc. d/b/a Missouri Public Service	ER2001265	Acquisition Adjustment	Surrebuttal
01/22/2002	UtiliCorp United, Inc. d/b/a Missouri Public Service	EC2001265	Acquisition Adjustment; Corporate Allocations;	Surrebuttal
01/08/2002	UtiliCorp United, Inc. d/b/a Missouri Public Service	EC2002265	Acquisition Adjustment	Rebuttal
01/08/2002	UtiliCorp United, Inc. d/b/a Missouri Public Service	ER2001672	Acquisition Adjustment	Rebuttal
12/06/2001	UtiliCorp United, Inc. d/b/a Missouri Public Service	ER2001672	Corporate Allocations	Direct
12/06/2001	UtiliCorp United, Inc. d/b/a Missouri Public Service	EC2002265	Corporate Allocations	Direct
04/19/2001	Missouri Gas Energy, a Division of Southern Union Company	GR2001292	Revenue Requirement; Corporate Allocations; Income Taxes; Miscellaneous Rate Base Components; Miscellaneous Income Statement Adjustments	Direct
11/30/2000	Holway Telephone Company	TT2001119	Revenue Requirements	Rebuttal

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06/21/2000	UtiliCorp United, Inc. / Empire District Electric Company	EM2000369	Merger Accounting Acquisition	Rebuttal
05/02/2000	UtiliCorp United, Inc. / St. Joseph Light and Power	EM2000292	Deferred Taxes; Acquisition Adjustment; Merger Benefits; Merger Premium; Merger Accounting; Pooling of Interests	Rebuttal
03/01/2000	Atmos Energy Company and Associated Natural Gas Company	GM2000312	Acquisition Detriments	Rebuttal
09/02/1999	Missouri Gas Energy	GO99258	Accounting Authority Order	Rebuttal
04/26/1999	Western Resources Inc. and Kansas City Power and Light Company	EM97515	Merger Premium; Merger Accounting	Rebuttal
07/10/1998	Missouri Gas Energy, a Division of Southern Union Company	GR98140	SLRP AAOs; Reserve; Deferred Taxes; Plant	True-Up
05/15/1998	Missouri Gas Energy, a Division of Southern Union Company	GR98140	SLRP AAOs; Automated Meter Reading (AMR)	Surrebuttal
04/23/1998	Missouri Gas Energy, a Division of Southern Union Company	GR98140	Service Line Replacement Program; Accounting Authority Order	Rebuttal
03/13/1998	Missouri Gas Energy, a Division of Southern Union Company	GR98140	Miscellaneous Adjustments; Plant; Reserve; SLRP; AMR; Income and Property Taxes;	Direct
11/21/1997	UtiliCorp United, Inc. d/b/a Missouri Public Service	ER97394	OPEB's; Pensions	Surrebuttal
08/07/1997	Associated Natural Gas Company, Division of Arkansas Western Gas Company	GR97272	FAS 106 and FAS 109 Regulatory Assets	Rebuttal
06/26/1997	Associated Natural Gas Company, Division of Arkansas Western Gas Company	GR97272	Property Taxes; Store Expense; Material & Supplies; Deferred Tax Reserve; Cash Working Capital; Postretirement Benefits; Pensions; Income Tax Expense	Direct

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10/11/1996	Missouri Gas Energy	GR96285	Income Tax Expense; AAO Deferrals; Acquisition Savings	Surrebuttal
09/27/1996	Missouri Gas Energy	GR96285	Income Tax Expense; AAO Deferrals; Acquisition Savings	Rebuttal
08/09/1996	Missouri Gas Energy	GR96285	Income Tax Expense; AAO Deferrals; Acquisition Savings	Direct
05/07/1996	Union Electric Company	EM96149	Merger Premium	Rebuttal
04/20/1995	United Cities Gas Company	GR95160	Pension Expense; OPEB Expense; Deferred Taxes; Income Taxes; Property Taxes	Direct
05/16/1994	St. Joseph Light & Power Company	HR94177	Pension Expense; Other Postretirement Benefits	Direct
04/11/1994	St. Joseph Light & Power Company	ER94163	Pension Expense; Other Postretirement Benefits	Direct
08/25/1993	United Telephone Company of Missouri	TR93181	Cash Working Capital	Surrebuttal
08/13/1993	United Telephone Company of Missouri	TR93181	Cash Working Capital	Rebuttal
07/16/1993	United Telephone Company of Missouri	TR93181	Cash Working Capital; Other Rate Base Components	Direct