

Exhibit No.:
Issues: Report on Cost of Service;
Overview of the Staff's Filing
Witness: Kimberly K. Bolin
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: WR-2011-0337
Date Testimony Prepared: November 17, 2011

**MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DEPARTMENT**

**DIRECT TESTIMONY
OF
KIMBERLY K. BOLIN**

FILED

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Missouri Public
Service Commission

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2011-0337

*Jefferson City, Missouri
November 2011*

Staff Exhibit No. 2
Date 2-21-12 Reporter JL
File No. WR-2011-0337

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OF
KIMBERLY K. BOLIN
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WR-2011-0337

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1 **DIRECT TESTIMONY**
2 **OF**
3 **KIMBERLY K. BOLIN**
4 **MISSOURI-AMERICAN WATER COMPANY**
5 **CASE NO. WR-2011-0337**

6 Q. Please state your name and business address.

7 A. Kimberly K. Bolin, P.O. Box 360, Suite 440, Jefferson City, MO 65102.

8 Q. By whom are your employed and in what capacity?

9 A. I am a Utility Regulatory Auditor for the Missouri Public Service Commission
10 (Commission).

11 Q. Please describe your educational background and work experience.

12 A. I graduated from Central Missouri State University in Warrensburg, Missouri,
13 with a Bachelor of Science in Business Administration, major emphasis in Accounting,
14 in May 1993. Before coming to work at the Commission, I was employed by the
15 Missouri Office of the Public Counsel (Public Counsel) as a Public Utility Accountant
16 from September 1994 to April 2005. I commenced employment with the Commission
17 in April 2005.

18 Q. What was the nature of your job duties when you were employed by
19 Public Counsel?

20 A. I was responsible for performing audits and examinations of the books and
21 records of public utilities operating within the state of Missouri.

1 Q. Have you previously filed testimony before this Commission?

2 A. Yes. Please refer to Schedule 1, attached to this Direct Testimony, for a list of
3 the major audits in which I have assisted and filed testimony with the Public Counsel and with
4 the Commission.

5 Q. What knowledge, skills, experience, training and education do you have in the
6 areas of which you are testifying as an expert witness?

7 A. I have received continuous training at in-house and outside seminars on
8 technical ratemaking matters both when employed by Public Counsel and since I began my
9 employment at the Commission. I have been employed by this Commission or by Public
10 Counsel as a Regulatory Auditor for over 17 years, and have submitted testimony on
11 ratemaking matters numerous times before the Commission. I have also been responsible for
12 the supervision of other Commission employees in rate cases and other regulatory
13 proceedings.

14 Q. Have you participated in the Commission Staff's (Staff) audit of
15 Missouri-American Water Company (MAWC or Company) concerning its request for a rate
16 increase in this proceeding?

17 A. Yes, I have, with the assistance of other members of the Staff. I was
18 designated as the Staff Case Coordinator for the Utility Services Department in
19 this proceeding.

20 **EXECUTIVE SUMMARY**

21 Q. What topics are addressed in this piece of testimony?

22 A. I am sponsoring the Staff's Cost of Service Report that is being filed
23 concurrently with this testimony. As was done in several other recent filings by Staff, a

1 “report” format is being used to convey Staff’s direct case findings, conclusions and
2 recommendations to the Commission. The “report” approach to the case filing is an effort to
3 make Staff’s filings more coherent and manageable. Staff believes that, under this approach
4 and without sacrificing the quality of the evidence presented, fewer witnesses will be required
5 to file direct testimony and Staff’s case will be presented more clearly.

6 I will also provide in my direct testimony an overview of Staff’s revenue requirement
7 determination. Staff has conducted a review of all cost of service components (capital
8 structure, return on rate base, rate base, depreciation expense and operating expenses) that
9 comprise MAWC’s revenue requirement. My testimony will provide an overview of Staff’s
10 work in each area.

11 **REPORT ON COST OF SERVICE**

12 Q. How is the Staff’s Cost of Service Report (Report) organized?

13 A. Staff’s Report has been organized by topic as follows:

- 14 I. Executive Summary
- 15 II. Background of Missouri-American
- 16 III. True-Up Recommendation
- 17 IV. Major Issues
- 18 V. Rate of Return
- 19 VI. Rate Base
- 20 VII. Allocations and Service Company Costs
- 21 VIII. Income Statement
- 22 IX. Customer Billing and Call Center
- 23 X. Rate Design

1 This organizational format has been condensed for ease of explanation. The Rate
2 Base and Income Statement sections have numerous subsections which explain each specific
3 adjustment made by Staff to the December 31, 2010 test year. The Staff member responsible
4 for writing each subsection of the Report is identified in the write-up for that section. The
5 affidavit of each Staff person who contributed to the Report is included in an appendix to the
6 Report.

7 **OVERVIEW OF STAFF'S RECOMMENDED REVENUE REQUIREMENT**

8 Q. In its audit of MAWC for this proceeding, Consolidated Case
9 Nos. WR-2011-0337 and SR-2011-0338, (hereafter Case No. WR-2011-0337) has Staff
10 examined all of the cost of service components comprising the revenue requirement for each
11 service district within MAWC?

12 A. Yes.

13 Q. What are the cost of service components that comprise the revenue
14 requirement for a regulated utility?

15 A. The revenue requirement for a regulated utility can be defined by the
16 following formula:

17 Revenue Requirement = Cost of Providing Utility Service

18 or

19
$$RR = O + (V - D)R \quad \text{where,}$$

20 RR = Revenue Requirement

21 O = Operating Costs (Fuel, Payroll, Maintenance, etc.), Depreciation and Taxes

22 V = Gross Valuation of Property Required for Providing Service

23 D = Accumulated Depreciation Representing Recovery of Gross Property Investment.

24
$$V - D = \text{Rate Base (Gross Property Investment' less Accumulated Depreciation = Net}$$

25
$$\text{Property Investment)}$$

26
$$(V - D)R = \text{Return Allowed on Net Property Investment}$$

1 This is the formula for the utility's total revenue requirement. In the context of
2 Commission rate cases, the term "revenue requirement" is generally used to refer to the
3 increase or decrease in revenue a utility needs in able to provide safe and reliable service as
4 measured using the utility's existing rates and cost of service.

5 Q. Are there objectives that must be met during the course of an audit of a
6 regulated utility in determining the revenue requirement components identified in your
7 last answer?

8 A. Yes. The objectives required for determining the revenue requirement for a
9 regulated utility can be summarized as follows:

10 1) Selection of a test year. The test year income statement represents the
11 starting point for determining a utility's existing annual revenues, operating costs and net
12 operating income. Net operating income represents the return on investment based upon
13 existing rates. The test year selected for this case, Case No. WR-2011-0337, is the
14 twelve months ending December 31, 2010. "Annualization" and "normalization" adjustments
15 are made to the test year results when the unadjusted results (test year amounts) do not fairly
16 represent the utility's most current annual level of revenues and operating costs. Examples of
17 annualization and normalization adjustments are explained more fully later in this
18 direct testimony.

19 2) Selection of a "true-up date" or "true-up period." A true-up date
20 generally is established when a significant change in a utility's cost of service occurs after the
21 end of the test year period, but prior to the operation-of-law date and one or more of the
22 parties has decided this significant change in cost of service should be considered for cost of
23 service recognition in the current case. In this proceeding, Staff is recommending that a

1 true-up audit to be performed. In MAWC's workpapers for its direct filing, the Company has
2 indicated that it is planning on placing into service approximately \$79.5 million of plant
3 between the end of the test year and the true-up date, December 31, 2011,
4 thus a true-up will be necessary to capture the revenue requirement impact of the projected
5 \$79.5 million of plant additions, which will have a significant impact on the Company's
6 cost of service.

7 3) Determination of Rate of Return. A cost of capital analysis must be
8 performed to determine a fair rate of return on investment to be allowed on
9 MAWC's net investment (rate base) used in the provision of utility service. Staff witness
10 Matthew Barnes has performed a cost of capital analysis for this case.

11 4) Determination of Rate Base. Rate Base represents the utility's net
12 investment used in providing utility service. For its direct filing, Staff has determined
13 MAWC's rate base as of December 31, 2010, consistent with the end of the test year period
14 established for this case.

15 5) Determination of Net Income Required. The net income required for
16 MAWC is calculated by multiplying Staff's recommended rate of return by the rate base
17 established as of December 31, 2010. The result represents net income required. Net income
18 required is then compared to net income available from existing rates to determine the
19 incremental change in the Company's rate revenues required to cover its operating costs and
20 provide a fair return on investment used in providing water and/or sewer service.

21 6) Net Income from Existing Rates. Determining net income from
22 existing rates is the most time consuming process involved in determining the revenue
23 requirement for a regulated utility. The starting point for determining net income from

1 existing rates is the unadjusted operating revenues, expenses, depreciation and taxes for
2 the test year which is the twelve month period ending December 31, 2010, for this case.
3 All of the utility's specific revenue and expense categories are examined to determine whether
4 the unadjusted test year results require annualization or normalization adjustments in order to
5 fairly represent the utility's most current level of operating revenues and expenses.
6 Numerous changes occur during the course of any year that will impact a utility's annual level
7 of operating revenues and expenses.

8 7) The final step in determining whether a utility's rates are insufficient to
9 cover its operating costs and a fair return on investment is the comparison of net operating
10 income required (Rate Base x Recommended Rate of Return) to net income available from
11 existing rates (Operating Revenue less Operating Costs, Depreciation, and Income Taxes).
12 The result of this comparison represents the recommended increase and/or decrease in
13 the utilities net income. This change in net income is then grossed up for income tax to
14 determine the recommended increase and/or decrease in the utilities operating revenues
15 through a rate change.

16 Q. Please identify the four types of adjustments which are made to unadjusted
17 test year results in order to reflect a utility's current annual level of operating revenues and
18 expenses.

19 A. The four types of adjustments made to reflect a utility's current annual
20 operating revenues and expenses are:

21 1) Normalization adjustments. Utility rates are intended to reflect normal
22 ongoing operations. A normalization adjustment is required when the test year data reflects
23 the impact of an abnormal event. For example, main break expense can vary from year to

1 year depending upon the number of main breaks that occur, thus an average is used to develop
2 the “normal” amount of main breaks that would occur on an annual basis.

3 2) Annualization adjustments. Annualization adjustments are the most
4 common adjustment made to test year results to reflect the utility’s most current annual level
5 of revenue and expenses. Annualization adjustments are required when changes have
6 occurred during the test year and/or update period, which are not fully reflected in
7 the unadjusted test year results. For example, if a 3 percent pay increase occurred on
8 June 30, 2010, the December 31, 2010 test year will only reflect six months of the impact
9 of the payroll increase. An annualization adjustment is required to capture the financial
10 impact of the payroll increase for the other six months of the year.

11 3) Disallowance adjustments. Disallowance adjustments are made to
12 eliminate costs in the test year results that are not considered appropriate for recovery from
13 ratepayers. An example in this case is certain incentive compensation costs. In Staff’s view,
14 these costs are incurred to primarily benefit shareholder interests, and it is not appropriate to
15 pass these costs onto customers in rates. Therefore, these costs should not be included in cost
16 of service for recovery from ratepayers.

17 4) Proforma adjustments. Proforma adjustments are made to reflect a cost
18 increase that results entirely from increasing or decreasing the utility’s annual revenue as a
19 result of a rate increase or rate reduction. The most common example of a proforma
20 adjustment is the grossing up of net income deficiency for income taxes. The example on the
21 following page illustrates this proforma adjustment:

1	Net Income Required based upon Staff's Rate Base and Rate of Return	\$ 1,000,000
2	Net Income Available based upon Existing Rates	\$ <u>600,000</u>
3	Additional Net Income Required	\$ 400,000
4	Tax Gross Up Factor based upon a 38.39% Effective Tax Rate	<u>x 1.6231</u>
5	Recommended Revenue Requirement Increase	\$ <u>649,240</u>

6 In this example, the utility must increase its revenues by \$649,240 in order to generate
7 an additional \$400,000 in after-tax net income required to provide the return on investment
8 considered reasonable by Staff. This example reflects \$249,240 in additional revenue needed
9 to pay the current income tax which applies to any increase in the utility's operating revenue.
10 Another illustration, using the same assumptions will clarify the need for this proforma
11 adjustment for additional income tax:

12	Additional Revenue Collected in Rates from Rate Increase	\$ 649,240
13	Less Income Tax Due the IRS Based Upon a 38.39% Tax Rate	\$ (249,240)
14	Additional Net Income for Return on Investment	\$ 400,000

15 The above examples represent the normal proforma factoring up for income taxes
16 associated with a Commission approved rate increase.

17 Q. What is Staff's recommended revenue requirement for MAWC at the time of
18 this revenue requirement direct filing?

19 A. The results of Staff's audit of MAWC's rate case request can be found in
20 Staff's Accounting Schedules which were filed on November 10, 2011. The Total Company
21 Accounting Schedules show that Staff's recommended revenue requirement for MAWC in
22 this proceeding ranges from approximately \$20,689,600 to \$26,280,699, based upon a
23 recommended rate of return range of 7.58 percent to 8.01 percent. Staff's recommended

1 revenue requirement includes an estimated true-up allowance of approximately \$11,502,711.
2 Staff based its true-up allowance on information provided by the Company indicating the
3 districts in which plant additions were to occur before the end of the true-up period,
4 December 31, 2011 and the amount of plant additions for each district. Staff's recommended
5 revenue requirement at the midpoint of the rate of return range (7.79 percent) is
6 \$23,454,546 (including true-up allowance).

7 Q. What revenue increase did the Company request from the Commission in
8 this case?

9 A. MAWC requested that its annual revenues be increased by approximately
10 \$42,233,952 for water revenues and \$654,760 for sewer revenues.

11 Q. What return on equity range is Staff recommending for MAWC in this case?

12 A. The Staff is recommending a return on equity range of 9.40 percent to
13 10.40 percent, with a midpoint return on equity of 9.90 percent, as calculated by Staff
14 Witness Barnes. Staff's recommended capital structure for MAWC is 42.95 percent common
15 equity, 0.29 percent preferred stock and 56.76 percent long-term debt based upon the
16 American Water Company's (Missouri-American Water Company's parent company) actual
17 capital structure as of December 31, 2010. When MAWC's cost of debt, cost of preferred
18 stock and above-referenced cost of equity are input into this capital structure, the Company's
19 resulting cost of capital to apply to rate base is in a range of 7.58 percent to 8.01 percent, with
20 7.79 percent the midpoint value. Staff's recommended weighted cost of capital is explained
21 in more detail in Section V of Staff's Cost of Service Report.

1 Q. What items are included in Staff's recommended rate base in this case?

2 A. All rate base items were determined as of the test year period ending date
3 of December 31, 2010, either through a balance on MAWC's books as of that date or a
4 13-month average balance ending on December 31, 2010. These rate base items included:

- 5 • Plant in Service
- 6 • Accumulated Reserve for Depreciation
- 7 • Materials and Supplies
- 8 • Prepayments
- 9 • Customer Advances
- 10 • Contributions in Aid of Construction
- 11 • Prepaid Pension Asset
- 12 • FAS 87 Pension Tracking Regulatory Asset
- 13 • FAS 106 OPEBs Tracking Regulatory Asset
- 14 • Pension Liability
- 15 • Tank Painting Tracker
- 16 • Accumulated Deferred Tax Reserve

17 Q. What are the significant income statement adjustments Staff made in
18 determining MAWC's revenue requirement for this case?

19 A. A summary of Staff's significant income statement adjustments follows:

20 **Operating Revenues**

- 21 • Retail Revenues adjusted for customer growth and the impact of the rate
22 increase granted to MAWC in June 2010 in Case No. WR-2010-0131.

23

1 **Depreciation and Amortization Expense**

- 2 • Depreciation Expense annualized based upon existing rates and plant in service
3 as of December 31, 2010.

4 **Corporate Service Company (Management) Fees**

- 5 • Staff removed costs associated with the Business Transformation Project
6 (BTP) from the Service Company fees allocated to MAWC. Per the agreement
7 filed in the MAWC's last rate case, Case No. WR-2010-0131, all
8 Comprehensive Planning Study (CPS) and BTP costs were to be booked as
9 construction work in progress (CWIP) and then transferred to Utility Plant in
10 Service when the assets are placed in-service. These costs were not to be
11 booked as expenses, thus Staff removed these costs from the allocated
12 management fees.

13 **Payroll and Employee Benefit Costs**

- 14 • Payroll expense annualized based upon employee levels and wages as of
15 December 31, 2010.
16 • Payroll taxes and payroll benefits annualized as of December 31, 2010.

17 **Maintenance Normalization Adjustments**

- 18 • Main Break Expense was normalized using a five-year average of the number
19 of main breaks and a three-year average of costs per break. This adjustment is
20 for the St. Louis District only.
21 • Staff recommends discontinuing the tank painting tracker. Staff recommends
22 an annualized tank painting expense level of \$1,370,136 annually.

1 **Other Non-Labor Expenses**

- 2 • Property taxes calculated on a consistent basis with the plant in service balance
3 as of December 31, 2010.
- 4 • Bad debt expense calculated on the basis of a combination of yearly averages
5 for each district. Staff determined a three-year average appropriate to use for
6 each district.
- 7 • MAWC's estimated rate case expense normalized over two years.
- 8 • Belleville lab expenses were reduced to reflect Staff's allocation of the indirect
9 lab costs charged to MAWC by Belleville Lab Service Company

10 Q. In providing your recommendation for MAWC's revenue requirement, what
11 reliance did you place on the work or conclusions of other Staff members?

12 A. An expert determining the revenue requirement for a regulated utility must rely
13 on the work from others responsible for developing specific inputs into the cost of service
14 calculation. I, and the other assigned Staff auditors, relied on the work from numerous other
15 Staff members in calculating a revenue requirement for MAWC in this case. Depreciation
16 rates, normalized usage, and recommended rate of return are some examples of data supplied
17 to the Auditing Unit as inputs into Staff's cost of service calculation. The qualifications for all
18 Staff members not filing direct testimony who provided input to the sections to Staff's Cost of
19 Service Report are attached as an appendix to the Report. Further, each Staff member is
20 identified at the conclusion of each section in which he/she authored and has signed affidavits
21 that are attached to Staff's Cost of Service Report.

22 All of the work performed by Staff participants was done through the coordination
23 and oversight of myself (Staff Utility Services Department Case Coordinator) and/or

1 Mr. James Busch (Staff Utility Operations Department Case Coordinator). If the Commission
2 has questions of a general or policy nature regarding the worked performed by, or the
3 positions taken by Staff in this proceeding, both Mr. Busch and I will be available at hearing
4 to answer questions of this nature. Staff will make available for cross examination all
5 witnesses authoring a Report section.

6 Q. What are the biggest differences which contribute to the different rate increase
7 recommendations filed by the Company and Staff in this proceeding?

8 A. From Staff's perspective, there are two primary differences. The first issue is
9 the return on equity component of the rate of return calculation. MAWC's single-point return
10 on equity recommendation is 11.30 percent, while Staff's midpoint ROE recommendation is
11 9.90 percent. The dollar difference between the Company and Staff on this issue is
12 approximately \$10.5 million.

13 The second difference is the amount of plant in service. Staff has used plant in service
14 as of December 31, 2010, while the Company has used a December 31, 2011 projected plant
15 in service. The dollar impact of the difference in plant in service is approximately
16 \$11.5 million. This difference will be reduced significantly during the true-up audit
17 procedure and the dollar difference between Staff and the Company in regards to the
18 differences in ROE will increase significantly as more rate base will be added.

19 As a result of its audit of other areas of the Company's operations, Staff has proposed
20 other adjustments as appropriate to either increase or decrease MAWC's cost of service.
21 However, these adjustments are not of the same overall magnitude as the adjustments
22 discussed above.

1 Q. Is it possible that significant differences exist between Staff's revenue
2 requirement positions and those of other parties besides MAWC in this proceeding?

3 A. Yes. However, the other parties are filing their direct testimony, if any,
4 concurrent with Staff's filing. Until Staff has a chance to examine the direct testimony
5 of other participants, it is impossible to determine what differences exist and how material
6 they may be.

7 Q. Do significant differences exist between Staff and MAWC in their direct
8 filings regarding issues without a revenue requirement impact?

9 A. Yes, Staff believes there are two significant differences. The first difference
10 is the Company has requested to consolidate all of its water districts into one consolidated
11 water district and all of its sewer districts into one sewer district. Staff recommends
12 combining the current water districts into three water districts and the current sewer districts
13 into four sewer districts.

14 The second difference regards Company's proposed future ratemaking
15 treatment of the BTP Costs. At this time, Staff is not in agreement with the Company's
16 proposal for special ratemaking treatment for these costs. MAWC's proposal does not allow
17 ongoing oversight and review of the project and its potential effect on future ratemaking
18 treatment or costs to ratepayers. Staff would be required to rely on American Water's
19 determination of the allocation of the cost to MAWC, which may or may not be appropriate
20 from Staff's perspective. In order for Staff to agree to or accept such special ratemaking
21 treatment for these costs, MAWC should be required to help establish and follow parameters
22 and conditions to allow Staff, and other parties in this case, adequate review of the
23 management of the project, the costs associated with it, and the budget expended for such

1 costs. Staff is willing to discuss this issue with the Company and other parties to see if a
2 resolution can be reached. Staff may provide additional testimony on this topic, as
3 discussions occur with the Company.

4 Q. Please identify the Staff witness responsible for addressing each area where
5 there is a known and significant difference between Staff and the Company that is addressed
6 in this testimony or in the Report in Section IV, Major Issues.

7 A. The Staff witness for each listed issue is as follows:

8 <u>Issue</u>	<u>Staff Witness</u>
9 Return on Equity	Matthew Barnes
10 Plant in Service	Paul R. Harrison
11 Service Company Fees	Keith D. Foster
12 Payroll	Casey Westhues

13 Q. When will Staff be filing its customer class cost of service/rate design
14 testimony and report in this proceeding?

15 A. Staff's direct class cost of service/rate design recommendations will be filed on
16 December 12, 2011.

17 Q. Does this conclude your direct testimony in this proceeding?

18 A. Yes, it does.

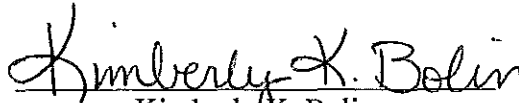
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water)
Company's Request for Authority to) Case No. WR-2011-0337
Implement A General Rate Increase for)
Water and Sewer Service Provided in)
Missouri Service Areas)

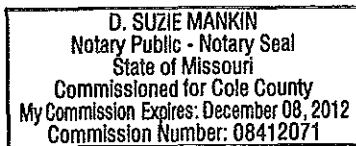
AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Kimberly K. Bolin, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 16 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.


Kimberly K. Bolin

Subscribed and sworn to before me this 17th day of November, 2011.




Notary Public

**CASE PARTICIPATION
OF
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Missouri-American Water Company	WR-2010-0131	<u>Report on Cost of Service</u> - Pension/OPEB Tracker, Tank Painting Tracker, Deferred Income Taxes, FAS 87 Pension Costs, FAS 106 – Other Post-Employment Benefits, Incentive Compensation, Group Insurance and 401(k) Employer Costs, Tank Painting Expense, Dues and Donations, Advertising Expense, Promotional Items, Current and Deferred Income Tax Expense	Settled
Empire District Gas Company	GR-2009-0434	<u>Report on Cost of Service</u> – Prepaid Pension Asset, Pension Tracker Asset/Liability, Unamortized Accounting Authority Order Balances, Pension Expense, OPEBs, Amortization of Stock Issuance Costs, Amortization of Accounting Authority Orders <u>Direct</u> – Overview of Staff’s Filing	Settled
Laclede Gas Company	GT-2009-0056	<u>Surrebuttal Testimony</u> – Tariff	Contested
Missouri-American Water Company	WR-2008-0311 & SR-2008-0312	<u>Report on Cost of Service</u> – Tank Painting Tracker, Lobbying Costs, PSC Assessment <u>Direct</u> – Overview of Staff’s Filing <u>Rebuttal</u> – True-Up Items, Unamortized Balance of Security AAO, Tank Painting Expense, Fire Hydrant Painting Expense <u>Surrebuttal</u> – Unamortized Balance of Security AAO, Cedar Hill Waste Water Plant, Tank Painting Expense, Fire Hydrant Painting Expense	Settled
Missouri Gas Utility, Inc.	GR-2008-0060	<u>Report on Cost of Service</u> – Plant-in Service/Capitalization Policy, Plant-in Service/Purchase Price Valuation, Depreciation Reserve, Revenues, Uncollectible Expense	Settled

**CASE PARTICIPATION
OF
KIMBERLY K. BOLIN**

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Laclede Gas Company	GR-2007-0208	<u>Direct</u> - Test Year and True-Up, Environmental costs, AAOs, Revenue, Miscellaneous Revenue, Gross receipts Tax, Gas Costs, Uncollectibles, EWCR, AMR, Acquisition Adjustment	Settled
Kansas City Power and Light Company	ER-2006-0314	<u>Direct</u> - Gross Receipts Tax, Revenues, Weather Normalization, Customer Growth/Loss Annualization, Large Customer Annualization, Other Revenue, Uncollectible (Bad Debt) Expense, Payroll, A&G Salaries Capitalization Ratio, Payroll Taxes, Employer 401 (k) Match, Other Employee Benefits <u>Surrebuttal</u> - Uncollectible (Bad Debt) Expense, Payroll, A&G Salaries Capitalization Ratio, Other Employee Benefits	Contested
Missouri Gas Energy	GR-2006-0204	<u>Direct</u> - Payroll, Incentive Compensation, Payroll Taxes, Employee Benefits, Lobbying, Customer & Governmental Relations Department, Collections Contract	Settled

**CASE PARTICIPATION
OF
KIMBERLY K. BOLIN**

WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Missouri Gas Energy	GU-2005-0095	<u>Rebuttal</u> - Accounting Authority Order <u>Surrebuttal</u> - Accounting Authority Order	Contested
The Empire District Electric Company	ER-2004-0570	<u>Direct</u> - Payroll	Settled
Missouri American Water Company & Cedar Hill Utility Company	SM-2004-0275	<u>Direct</u> - Acquisition Premium	Settled
Missouri Gas Energy	GR-2004-0209	<u>Direct</u> - Safety Line Replacement Program; Environmental Response Fund; Dues & Donations; Payroll; Customer & Governmental Relations Department Disallowance; Outside Lobbyist Costs <u>Rebuttal</u> - Customer Service; Incentive Compensation; Environmental Response Fund; Lobbying/Legislative Costs <u>True-Up</u> - Rate Case Expense	Contested
Osage Water Company	ST-2003-0562 / WT-2003-0563	<u>Direct</u> - Payroll <u>Rebuttal</u> - Payroll; Lease Payments to Affiliated Company; alleged Legal Requirement of a Reserve	Case Dismissed
Missouri American Water Company	WR-2003-0500	<u>Direct</u> - Acquisition Adjustment; Water Treatment Plant Excess Capacity; Retired Treatment Plan; Affiliated Transactions; Security AAO; Advertising Expense; Customer Correspondence	Settled
Empire District Electric	ER-2002-424	<u>Direct</u> - Dues & Donations; Memberships; Payroll; Security Costs <u>Rebuttal</u> - Energy Traders' Commission <u>Surrebuttal</u> - Energy Traders' Commission	Settled

**CASE PARTICIPATION
OF
KIMBERLY K. BOLIN**

WHILE EMPLOYED WITH THE OFFICE OF THE PUBLIC COUNSEL

<u>Company Name</u>	<u>Case Number</u>	<u>Testimony/Issues</u>	<u>Contested or Settled</u>
Laclede Gas Company	GR-2002-356	<u>Direct</u> - Advertising Expense; Safety Replacement Program and the Copper Service Replacement Program; Dues & Donations; Rate Case Expense <u>Rebuttal</u> - Gas Safety Replacement Program / Deferred Income Taxes for AAOs	Settled
Missouri-American Water Company	WO-2002-273	<u>Rebuttal</u> - Accounting Authority Order <u>Cross-Surrebuttal</u> - Accounting Authority Order	Contested
Environmental Utilities	WA-2002-65	<u>Direct</u> - Water Supply Agreement <u>Rebuttal</u> - Certificate of Convenience & Necessity	Contested
Warren County Water & Sewer	WC-2002-160 / SC-2002-155	<u>Direct</u> - Clean Water Act Violations; DNR Violations; Customer Service; Water Storage Tank; Financial Ability; Management Issues <u>Surrebuttal</u> - Customer Complaints; Poor Management Decisions; Commingling of Regulated & Non-Related Business	Contested
Laclede Gas Company	GR-2001-629	<u>Direct</u> - Advertising Expense; Safety Replacement Program; Dues & Donations; Customer Correspondence	Settled
Gateway Pipeline Company	GM-2001-585	<u>Rebuttal</u> - Acquisition Adjustment; Affiliated Transactions; Company's Strategic Plan	Contested
Empire District Electric	ER-2001-299	<u>Direct</u> - Payroll; Merger Expense <u>Rebuttal</u> - Payroll <u>Surrebuttal</u> - Payroll	Settled
Osage Water Company	SR-2000-556/ WR-2000-557	<u>Direct</u> - Customer Service	Contested

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St. Louis County Water Company	WR-2000-844	<u>Direct</u> - Main Incident Expense	Settled
Missouri American Water Company	WR-2000-281/ SR-2000-282	<u>Direct</u> - Water Plant Premature Retirement; Rate Case Expense <u>Rebuttal</u> - Water Plant Premature Retirement <u>Surrebuttal</u> - Water Plant Premature Retirement	Contested
Laclede Gas Company	GR-99-315	<u>Direct</u> - Advertising Expense; Dues & Donations; Miscellaneous Expense; Items to be Trued-up	Contested
St. Joseph Light & Power	HR-99-245	<u>Direct</u> - Advertising Expense; Dues & Donations; Miscellaneous Expense; Items to be Trued-up <u>Rebuttal</u> - Advertising Expense <u>Surrebuttal</u> - Advertising Expense	Settled
St. Joseph Light & Power	ER-99-247	<u>Direct</u> - Merger Expense; Rate Case Expense; Deferral of the Automatic Mapping/Facility Management Costs <u>Rebuttal</u> - Merger Expense; Rate Case Expense; Deferral of the Automatic Mapping/Facility Management Costs <u>Surrebuttal</u> - Merger Expense; Rate Case Expense; Deferral of the Automatic Mapping/Facility Management Costs	Settled
Laclede Gas Company	GR-98-374	<u>Direct</u> - Advertising Expense; Gas Safety Replacement AAO; Computer System Replacement Costs	Settled
Missouri Gas Energy	GR-98-140	<u>Direct</u> - Payroll; Advertising; Dues & Donations; Regulatory Commission Expense; Rate Case Expense	Contested

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Gascony Water Company, Inc.	WA-97-510	<u>Rebuttal</u> - Rate Base; Rate Case Expense; Cash Working Capital	Settled
Union Electric Company	GR-97-393	<u>Direct</u> - Interest Rates for Customer Deposits	Settled
St. Louis County Water Company	WR-97-382	<u>Direct</u> - Interest Rates for Customer Deposits, Main Incident Expense	Settled
Associated Natural Gas Company	GR-97-272	<u>Direct</u> - Acquisition Adjustment; Interest Rates for Customer Deposits <u>Rebuttal</u> - Acquisition Adjustment; Interest Rates for Customer Deposits <u>Surrebuttal</u> - Interest Rates for Customer Deposits	Contested
Missouri-American Water Company	WA-97-45	<u>Rebuttal</u> - Waiver of Service Connection Charges	Contested
Imperial Utility Corporation	SC-96-427	<u>Direct</u> - Revenues, CIAC <u>Surrebuttal</u> - Payroll; Uncollectible Accounts Expense; Rate Case Expense, Revenues	Settled
St. Louis Water Company	WR-96-263	<u>Direct</u> -Main Incident Repairs <u>Rebuttal</u> - Main Incident Repairs <u>Surrebuttal</u> - Main Incident Repairs	Contested
Steelville Telephone Company	TR-96-123	<u>Direct</u> - Depreciation Reserve Deficiency	Settled

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Missouri-American Water Company	WR-95-205/ SR-95-206	<p><u>Direct</u>- Property Held for Future Use; Premature Retirement of Sewer Plant; Depreciation Study Expense; Deferred Maintenance</p> <p><u>Rebuttal</u>- Property Held for Future Use; Premature Retirement of Sewer Plant; Deferred Maintenance</p> <p><u>Surrebuttal</u>- Property Held for Future Use; Premature Retirement of Sewer Plant</p>	Contested
St. Louis County Water Company	WR-95-145	<p><u>Rebuttal</u>- Tank Painting Reserve Account; Main Repair Reserve Account</p> <p><u>Surrebuttal</u>- Main Repair Reserve Account</p>	Contested