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Witness: Greg R. Meyer
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Sponsoring Party: MEG & MIEC
Case No.: EU-2014-0077
Date Testimony Prepared: December 9, 2013

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Kansas
City Power & Light Company and KCP&L
Greater Missouri Operations Company for
the Issuance of an Accounting Authority
Order relating to their Electrical Operations
and for a Contingent Wavier of the Notice
Requirement of 4 CSR 240-4.020(2)

Case No. EU-2014-0077

Direct Testimony of

Greg R. Meyer

On behalf of

**Midwest Energy Consumers Group and
Missouri Industrial Energy Consumers**

PUBLIC VERSION

December 9, 2013



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Case No. EU-2014-0077

STATE OF MISSOURI)

) SS

COUNTY OF ST. LOUIS)


Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Midwest Energy Consumers Group and the Missouri Industrial Energy Consumers in this proceeding on their behalf.

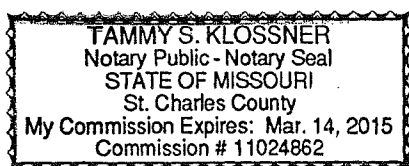
2. Attached hereto and made a part hereof for all purposes is my direct testimony which was prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. EU-2014-0077.

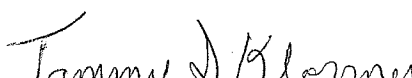
3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Greg R. Meyer

Subscribed and sworn to before me this 6th day of December, 2013.





Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

)	
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City Power & Light Company and KCP&L)	
Greater Missouri Operations Company for)	
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)	

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Case No. EU-2014-0077

Direct Testimony of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q WHAT IS YOUR OCCUPATION?**

5 A I am a consultant in the field of public utility regulation and an Associate of Brubaker
6 & Associates, Inc., energy, economic and regulatory consultants.

7 **Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

8 A This information is included in Appendix A to this testimony.

9 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

10 A This testimony is presented on behalf of the Midwest Energy Consumers Group
11 ("MECG") and the Missouri Industrial Energy Consumers ("MIEC").

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1 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A The purpose of my testimony is to address Kansas City Power & Light Company's
3 ("KCPL") and KCP&L Greater Missouri Operations Company's ("GMO") (hereinafter
4 referred to collectively as "Company") request of the Missouri Public Service
5 Commission ("Commission") for an Accounting Authority Order ("AAO") to defer
6 certain transmission costs for future regulatory treatment. Specifically, my testimony
7 will demonstrate that the Company has failed to meet the Commission requirements
8 for an AAO. Therefore, I am recommending that the Commission reject the
9 Company's AAO request.

10 In addition, I will demonstrate that the Company is using its AAO request as a
11 disguise for another request to implement a transmission tracker. In its Report and
12 Order in the Company's previous rate case, the Commission rejected the Company's
13 request for a transmission tracker. Given that this AAO is the same tracker simply in
14 disguise, the Company's request is inappropriate.

15 **AAO Purpose and Conditions**

16 **Q WHAT IS THE PURPOSE OF AN AAO?**

17 A Through an AAO the Commission allows a utility to use special accounting treatment
18 for extraordinary events. Specifically, an AAO allows for the deferral of the cost of
19 extraordinary items to a future period for possible inclusion in a utility's rates.

20 Without an AAO, a utility would charge all costs arising from an extraordinary
21 event as incurred to expense on its income statement. The AAO mechanism
22 preserves the ability of a utility not to recognize the extraordinary event currently, and
23 to defer the rate ramifications for potential consideration in a future rate case.

1 **Q PLEASE EXPLAIN WHY AN AAO IS EXTRAORDINARY RATEMAKING.**

2 A In a rate case, rates are set based upon an historical period of time known as a test
3 year. In utilizing a test year concept, particular attention is paid to preserve the
4 careful balancing of expenses, revenues and investment for that period of time. As
5 indicated, an AAO allows a utility to capture certain extraordinary, non-recurring
6 expenses and defer them for treatment in a later rate case. Thus, extraordinary
7 expenses that are incurred prior to the historical test year are considered with the test
8 year expenses, revenues and investment. Therefore, from a technical sense, an
9 AAO violates the test year concept.

10 **Q CAN YOU PROVIDE SOME EXAMPLES OF AAOs THAT HAVE BEEN**
11 **REQUESTED BY UTILITIES?**

12 A Yes. As indicated, AAOs have been used to allow recovery of extraordinary
13 expenses. AAOs have most commonly been granted for deferring expenses incurred
14 as the result of severe storms and floods. These events required substantial
15 expenses to repair the utility's system. These AAO requests were initiated by the
16 utility because the costs incurred for these events would have had a material impact
17 on current earnings. Further, recognizing that rates are designed to recover recurring
18 expenses, the cost of these extraordinary events were not contemplated in the rates
19 currently charged to ratepayers. I will discuss this concept in greater detail later in my
20 testimony.

1 **Q DO YOU BELIEVE THERE ARE ANY CONDITIONS THAT A UTILITY MUST MEET**
2 **BEFORE RECEIVING AN AAO?**

3 A Yes. I believe the following conditions should be met before a utility is granted an
4 AAO:

- 5 a. The event giving rise to the expense must be extraordinary;
- 6 b. The event must be non-recurring;
- 7 c. The event must have a significant impact on the utility's earnings; and
- 8 d. The AAO request must be timely filed.

9 **Q PLEASE DISCUSS EACH OF THE CONDITIONS YOU LISTED.**

10 A ➤ a. **The event must be extraordinary.** General Instructions, 7. *Extraordinary*
11 *Items*, of the Uniform System of Accounts ("USOA") describes:

12 ...they will be events and transactions of significant effect
13 which are abnormal and significantly different from the ordinary
14 and typical activities of the company, and which would not
15 reasonably be expected to recur in the foreseeable future.

16 ➤ b. **The event must be non-recurring.** As the condition suggests, the event is
17 not "expected to recur in the foreseeable future." That is, it must not be part of
18 the ongoing operations of the utility. As I stated previously, prior AAOs have
19 dealt with events that were non-recurring (severe storms and floods). In this
20 instance, the Company has historically and is currently incurring transmission
21 expenses and has stated that it will continue to incur transmission expenses
22 into the foreseeable future. Therefore, these costs are clearly recurring.

23 ➤ c. **The event must have a significant impact on the utility's earnings.** If the
24 event did not have a significant impact on earnings, there would be no reason
25 to seek deferred recognition. In order to seek deferral of the effects of the
26 event, the financial consequences to the utility must be material (significant).

1 The USOA, General Instructions, 7. *Extraordinary Items*, describes a
2 threshold of 5% of net income before the extraordinary event is deemed to be
3 material.

- 4 ➤ **d. Finally, the AAO request must be timely filed.** The AAO request must be
5 timely filed in order to make sure the books and records of the utility are
6 accurately presented. The utility should file the AAO request before the books
7 and records for that particular year are closed or finalized. Timely filing the
8 AAO will alert investors and the outside auditors that a significant
9 extraordinary event has occurred that could impact current earnings. The
10 AAO must be timely filed to establish the deferral for future ratemaking
11 consideration. If the AAO is not timely filed and the utility files a rate case, the
12 AAO request should not be an issue for consideration when setting new rates.
13 If a rate case is filed and concluded after the occurrence of an extraordinary
14 event, I believe the opportunity to process a prior AAO has been forfeited.

15 **Q HAS THE COMPANY PREVIOUSLY ACKNOWLEDGED THESE CONDITIONS**
16 **FOR REQUESTING AN AAO?**

17 A Yes. In its Application for Accounting Authority Order to address Missouri River
18 flooding in Case No. EU-2012-0130 on page 11, the Company made the following
19 statements:

20 33. The USOA indicates that an extraordinary item for which
21 special accounting treatment would be appropriate is "of unusual
22 nature and infrequent occurrence." Furthermore, "they will be events
23 and transactions of significant effect which are abnormal and
24 significantly different from the ordinary and typical activities of the
25 company, and which would not reasonably be expected to recur in the
26 foreseeable future." 18 CFR part 101 (1992), General Instruction 7.

27 34. The above-described expenditures and losses are
28 extraordinary, unusual, and significant. Furthermore, permitting

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1 KCP&L to defer all expenses and losses related to the Missouri River
2 flooding is consistent with the Commission's prior granting of AAOs for
3 "extraordinary items" as defined in the USOA. Indeed, the Commission
4 has a history of approving deferral and subsequent amortization and
5 recovery through rates of incremental expenses associated with
6 extraordinary casualty losses such as fires, floods, ice, and wind storm
7 damage.

8 **Q DO YOU BELIEVE THE COMPANY HAS MET THE CONDITIONS AS OUTLINED**
9 **ABOVE?**

10 A No. The Company does not meet the conditions for an AAO. Specifically, the
11 Company has been unable to demonstrate that the transmission expenses that it
12 seeks to include in the AAO are extraordinary. Transmission cost is a typical utility
13 expenditure. In addition, Company witness Carlson discusses in his testimony the
14 potential increase in the Southwest Power Pool's ("SPP") administrative costs.
15 Increases in the administrative costs to operate the SPP are hardly extraordinary.

16 The Company has also failed to demonstrate that the transmission costs for
17 which they seek an AAO are non-recurring. As I stated previously, the Company has
18 admitted in data request responses that the Company has historically incurred
19 transmission costs and foresees incurring transmission expenses into the indefinite
20 future. These costs are ongoing expenses of the Company, plain and simple.

21 The Company has not met the conditions for granting an AAO. AAOs are
22 used for extraordinary, non-recurring, and significant events. The Company's
23 transmission costs do not meet all of these conditions. As the Company pointed out
24 in its Application in Case No. EU-2012-0130 on page 11, "...the Commission has a
25 history of approving deferral and subsequent amortization and recovery through rates
26 of incremental expenses associated with extraordinary casualty losses such as fires,
27 floods, ice, and wind storm damage." Annual transmission expense fluctuations do

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1 not meet this criteria. Because an AAO has historically been limited to extraordinary
2 expenses, any attempts to defer recurring expenses for treatment into a future case is
3 inappropriate.

4 **Q WHAT STANDARD HAS THE COMPANY APPLIED TO ITS AAO REQUEST?**

5 A In its Application on page 4, the Company makes the following statement. "The
6 Companies believe that these transmission costs are appropriate candidates for an
7 AAO because they are material, expected to change significantly in the near future,
8 and are primarily outside the control of the Companies."

9 **Q DO YOU AGREE WITH THIS STANDARD?**

10 A No. As indicated previously, the Company seeks to simply look at whether the cost
11 item is expected to change in the near future. The problem with this standard is that
12 the Company never considers whether the cost is extraordinary or the existence of
13 mitigating relevant factors. Rather, the Company simply wants to extend the
14 application of an AAO to allow for deferral of a recurring cost item. Finally, the mere
15 fact that a specific cost item is expected to increase in the future does not warrant the
16 implementation of an AAO. The Company has projected levels of these transmission
17 costs for many years in the future that can be used to time a rate case to address the
18 incurrence of these cost increases. An AAO should be limited solely to extraordinary,
19 non-recurring cost items and rate cases should continue to be used to reflect
20 changes in all recurring costs.

1 **Q GIVEN THAT AN AAO SIMPLY DEFERS A COST FOR CONSIDERATION IN A**
2 **FUTURE CASE, WHY ARE YOU OPPOSING THIS REQUEST?**

3 A Inherent in a Commission order authorizing the deferral of these costs is the notion
4 that the Company is provided a reasonable certainty of recovering these costs. As
5 indicated, these costs do not meet the standard for deferral. Therefore, the Company
6 and the investing community should not be misled into believing that there is a
7 reasonable certainty of recovering these costs.

8 Furthermore, these costs are recurring and should be addressed in a rate
9 case. If the Company believes that its current levels of recurring expenses, revenues
10 and investments dictate rate relief, then it should file such a rate case.

11 **Trackers and AAOs**

12 **Q WHAT IS A TRACKER?**

13 A A tracker is a mechanism by which the level of a certain cost incurred by a utility is
14 tracked against a baseline level of that cost. Any deviations from that baseline are
15 then preserved for consideration in a future year.

16 **Q PLEASE EXPLAIN HOW AN AAO DIFFERS FROM A TRACKER.**

17 A An AAO is historical in nature. The extraordinary event has already occurred and the
18 utility is seeking to capture and defer the costs of that extraordinary event for
19 inclusion in a future rate case. A tracker, on the other hand, is forward looking. A
20 baseline level of costs is established and included in rates. Future deviations from
21 that baseline are then captured and considered in a future case.

1 **Q HAS THE COMPANY PREVIOUSLY SOUGHT A TRACKER FOR TRANSMISSION**
2 **COSTS?**

3 A Yes. In its last rate case, the Company sought to implement a tracker mechanism. In
4 the Report and Order in that case, issued in January 2013, the Commission found
5 that the Company had failed to meet its burden for implementation of a transmission
6 tracker.

7 The Company's request for an AAO here is actually a tracker request
8 disguised as an AAO request. The Company has requested to defer transmission
9 costs above or below the baseline amount included in its last rate case. The
10 Company is merely trying for the second time to establish a transmission tracker.
11 The Commission should deny this request as it did in the Company's last rate case.

12 **Q IN REVIEWING THE COMPANY'S TESTIMONY, THE COMPANY APPEARS TO**
13 **BELIEVE THAT THE COMMISSION WANTED TO GRANT A TRANSMISSION**
14 **TRACKER. DO YOU AGREE WITH THE COMPANY'S ASSERTION?**

15 A No. I have reviewed the Commission Report and Order from Case Nos. ER-2012-
16 0174 and ER-2012-0175 and I do not accept that contention. Referring to page 28 of
17 the Report and Order, the Commission clearly states:

18 Applicants have not carried their burden of proving that the
19 Commission should order deferred recording ("a tracker") for
20 transmission costs.

21 Furthermore, on page 31, the Report and Order stated the following:

22 The projected transmission cost increases are not "extraordinary"
23 within the legal definition because they are not rare or current.

24 "Rare" does not describe cost increases in the utility business
25 generally. Specifically, Applicants' evidence shows the following as to
26 transmission. Transmission is an ordinary and typical, not an
27 abnormal and significantly different, part of Applicants' activities. Also,
28 Applicants showed that paying more for transmission than in the
29 previous year is a foreseeably recurring event, not an unusual and

1 infrequent event. Thus, "items related to the effects of" transmission
2 cost increases are not rare and, therefore, are not extraordinary.

3 Finally, on page 32 of the Report and Order, the Commission noted:

4 Applicants have not carried their burden of proving that the projected
5 transmission increases are extraordinary.

6 In this case, the Company has again failed to demonstrate that these costs
7 are extraordinary and non-recurring.

8 **Q IN PREVIOUS SECTIONS OF YOUR TESTIMONY YOU HAVE CITED THE USOA.**
9 **WHAT IS THE USOA AND HAS THE COMMISSION ADOPTED ITS USE?**

10 A The USOA provides instruction for recording financial information about electric
11 utilities. The Commission has adopted the use of the USOA through its rules,
12 specifically 4 CSR 240-20.030, Uniform System of Accounts—Electrical Corporations.

13 The Commission rule on page 6 states the following:

14 (1) Beginning January 1, 1994, every electrical corporation subject to
15 the commission's jurisdiction shall keep all accounts in conformity with
16 the Uniform System of Accounts Prescribed for Public Utilities and
17 Licensees subject to the provisions of the Federal Power Act, as
18 prescribed by the Federal Energy Regulatory Commission (FERC)...

19 **Q DO YOU BELIEVE GRANTING AN AAO FOR A RECURRING NORMAL EXPENSE**
20 **WOULD ESTABLISH BAD REGULATORY POLICY?**

21 A Yes, for several reasons. If an AAO (or, in this case, a tracker) is adopted, I believe
22 the incentive for the Company to manage and control these transmission costs will be
23 eliminated. There is truly no incentive to manage or control a cost which is ultimately
24 going to be recovered in rates.

25 AAOs in the past have been granted for the cost of extraordinary events,
26 which were not included in a utility's base rates. AAOs allowed the utility to defer

1 these extraordinary expenses for consideration in the utility's next rate case. Allowing
2 a utility to defer a normal recurring expense through an AAO is also contrary to the
3 concept of considering all relevant factors. This concept requires that all relevant
4 factors of the utility's operations be considered during the same period of time to
5 determine just and reasonable rates.

6 With an AAO or tracker for normal ongoing expenses, the utility would be able
7 to isolate those areas of its operations which are experiencing cost increases and
8 ignore or protect those areas of its operations that are experiencing cost decreases or
9 revenue increases. This picking and choosing of expenses for extraordinary
10 ratemaking distorts the test year concept, and can ultimately lead to a utility being
11 able to earn above its authorized rate of return.

12 Not granting an AAO or tracker for recurring costs will require the utility to
13 effectively manage all of its costs of operations. By effectively managing all of its
14 costs of operations, the utility can achieve efficiencies between rate cases, and can
15 keep all of those gains for the benefit of shareholders. Allowing an AAO for a
16 recurring expense removes the incentive for total cost control.

17 **Q HOW WOULD A UTILITY NORMALLY SEEK RECOVERY OF AN INCREASE IN A**
18 **RECURRING EXPENSE?**

19 **A** As previously indicated, the rate case process is used to set rates for recurring
20 expenses, revenues and investment. In the rate case process, all "relevant factors"
21 are considered. Thus, if a utility has an increase in a recurring expense, like
22 transmission costs, it should file a rate case. In such a case, the increasing recurring
23 expense (e.g., transmission costs) are not looked at in isolation. Rather, all
24 expenses, revenues and investment are looked at simultaneously. The Company is

1 not simply allowed to increase rates because of a single cost item. Instead, the
2 Company is only allowed to increase rates if the overall level of expenses, revenues
3 and investment dictates a change.

4 **Q IF A COMPANY IS EXPERIENCING A HIGHER LEVEL OF A RECURRING COST,**
5 **WHY WOULDN'T IT SIMPLY FILE A RATE CASE?**

6 A. The Company may not file a rate case because its overall level of expenses,
7 revenues and investment does not justify a change in rates. Rather, when looking at
8 all relevant factors, the Company may not deserve an increase in rates. The
9 Company would likely realize that an all relevant factors review would not result in
10 higher rates. Therefore, the Company would seek to avoid this review and instead
11 skirt the ratemaking process by singling out one particular expense item that is
12 increasing for treatment in a future case through an AAO or a tracker application.

13 **Mitigating Circumstances**

14 **Q ARE YOU AWARE OF ANY CHANGES IN "RELEVANT FACTORS" SINCE THE**
15 **COMPANY'S LAST RATE CASE?**

16 A Yes. I am aware that the percentage of common equity for Great Plains' capital
17 structure has decreased from 52.5% in the rate case to 49.47% (MECG 1.18). In
18 addition, Great Plains' cost of long-term debt has decreased from 6.4% in the rate
19 case to 5.8% (MECG 1.18) currently. I am also aware that KCPL's and GMO's net
20 plant (plant in service less accumulated depreciation) has decreased from the levels
21 included in its last rate case. All these cost reductions will reduce the cost of service
22 from those levels established in the last rate case.

1 This expense analysis is not all-inclusive and was not intended to be. It is
2 provided to highlight the concerns about picking and choosing certain events which
3 have increased the cost of service while ignoring the events which have decreased
4 cost of service.

5 **Q HAVE YOU PERFORMED ANY OTHER ANALYSES REGARDING THE**
6 **COMPANY'S OPERATIONS?**

7 A Yes. In response to MCEG 2.10, GMO provided its monthly surveillance reporting of
8 its operations. I have reviewed the monthly surveillance reports from January 2013 -
9 September 2013 (the last report available) and calculated GMO's return on equity.
10 Note that, while I have included January in this analysis, the rates from the most
11 recent rate case did not become effective until January 26, 2013. Therefore, the
12 return on equity for January is primarily based upon the pre-existing rates. **Highly
13 Confidential Information Removed**

1 **Highly Confidential Information Removed**

2

3 I should note that KCPL does not have to submit surveillance data on a

4 monthly basis, but is instead required to submit data only on an annual basis.

5 Because of this, it is impossible to determine how KCPL has earned since its rate

6 case concluded. Requiring more frequent surveillance reporting and making the

7 surveillance reporting public would enhance the ability to assess a utility's current

8 earnings position.

9 **Highly Confidential Information Removed**

1 Today, KCPL seeks to separate the benefits from the costs of that participation.
2 Specifically, KCPL wants to make ratepayers entirely responsible for the costs, by
3 capturing those costs and deferring them in an AAO. On the other hand, KCPL wants
4 to deny the benefits to ratepayers and retain those benefits solely for its shareholders
5 until finally recognized in some future rate case. Such separation of costs and
6 benefits is inherently inequitable.

7 **Q DID THE COMPANY ALSO INDICATE THAT BENEFITS WOULD EXCEED COSTS**
8 **WHEN GMO SOUGHT APPROVAL TO JOIN SPP?**

9 A Yes. In Case No. EO-2009-0179, GMO sought Commission approval to transfer its
10 transmission assets and join the SPP. As reflected in the following citation from its
11 Application on pages 8 and 9, GMO clearly indicated that the benefits of joining SPP
12 would far exceed the costs of participating by over \$86 million.

13 **Cost-Benefit Analysis**

14 24. As part of its application to join MISO filed with the
15 Commission in Case No. E0-2008-0046, KCP&L-GMO submitted the
16 results of a cost-benefit analysis performed by CRA International
17 ("CRA"). The report of that analysis is included as an attachment to the
18 Direct Testimony of Mr. Odell. As set forth in that testimony, CRA is an
19 independent consulting firm hired by KCP&L-GMO to analyze the
20 costs and benefits of KCP&L-GMO's various options for joining, or not
21 joining, an RTO. The study concluded that over the ten-year study
22 period, the net benefit to KCP&L-GMO of joining SPP amounts to
23 \$86.9 million, contrasted with only a \$21.1 million benefit of joining
24 MISO, compared to moving to a stand-alone status.

25 **Q HAS THE COMPANY RECENTLY UPDATED THESE BENEFIT PROJECTIONS?**

26 A Yes. On September 30, 2011, KCPL and GMO sought to extend the Commission
27 approval to transfer operations of its transmission systems to SPP. In that pleading,
28 KCPL and GMO again recognized that benefits would greatly exceed costs.

1 For both Companies together, the projected annual net benefits of
2 participating in SPP vary from approximately negative \$4 million in the
3 low case to positive \$50 million in the high case, yielding a mid-point
4 net benefit of about \$23 million per year. These numeric results do not
5 capture the full range of benefits that are and can be achieved through
6 SPP membership because many of the benefits are not readily
7 quantifiable. (Submission of Interim Report Regarding Participation in
8 Southwest Power Pool, Case Nos. EO-2009-0179 and EO-2006-0142,
9 filed September 30, 2009).

10 **Q PLEASE SUMMARIZE YOUR POSITION.**

11 A The Company has not met the requirements for granting an AAO. Specifically, the
12 Company has failed to demonstrate that these costs are extraordinary and non-
13 recurring. To the contrary, the Company has admitted that these costs are normal
14 recurring expenses.

15 AAOs were not intended to defer expense recognition for normal recurring
16 expenses and the Company has previously agreed with this standard. The Company
17 requested a tracker for these same transmission costs in its previous rate case. In
18 that case, the Commission determined that these costs were not extraordinary and
19 that the Company had failed to meet its burden to be granted a tracker. Nothing has
20 changed and therefore the Commission should reject this requested AAO.

21 Finally, my analysis of the current operations of KCPL and GMO indicates that
22 there are mitigating factors to the changes that the Company may be experiencing in
23 transmission expense. This highlights the concerns about picking and choosing
24 certain events, which have increased the cost of service while ignoring the events
25 which have decreased cost of service. By seeking to utilize the extraordinary remedy
26 of an AAO, the Company seeks to avoid the all "relevant factors" analysis that comes
27 with filing a rate case. Instead, the Company seeks to isolate one single expense
28 item that is increasing and defer it for treatment in the next rate case.

1 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 **A Yes.**

Qualifications of Greg R. Meyer

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am an Associate in the field of public utility regulation with the firm of Brubaker &
6 Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

7 **Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
8 **EXPERIENCE.**

9 A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree
10 in Business Administration, with a major in Accounting. Subsequent to graduation I
11 was employed by the Missouri Public Service Commission. I was employed with the
12 Commission from July 1, 1979 until May 31, 2008.

13 I began my employment at the Missouri Public Service Commission as a
14 Junior Auditor. During my employment at the Commission, I was promoted to higher
15 auditing classifications. My final position at the Commission was an Auditor V, which I
16 held for approximately ten years.

17 As an Auditor V, I conducted audits and examinations of the accounts, books,
18 records and reports of jurisdictional utilities. I also aided in the planning of audits and
19 investigations, including staffing decisions, and in the development of staff positions in
20 which the Auditing Department was assigned. I served as Lead Auditor and/or Case

1 Supervisor as assigned. I assisted in the technical training of other auditors, which
2 included the preparation of auditors' workpapers, oral and written testimony.

3 During my career at the Missouri Public Service Commission, I presented
4 testimony in numerous electric, gas, telephone and water and sewer rate cases. In
5 addition, I was involved in cases regarding service territory transfers. In the context of
6 those cases listed above, I presented testimony on all conventional ratemaking
7 principles related to a utility's revenue requirement. During the last three years of my
8 employment with the Commission, I was involved in developing transmission policy
9 for the Southwest Power Pool as a member of the Cost Allocation Working Group.

10 In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a
11 Consultant. Since joining the firm, I have presented testimony and/or testified in the
12 state jurisdictions of Florida, Idaho, Illinois, Indiana, Maryland, Missouri and
13 Washington. I have also appeared and presented testimony in Alberta and Nova
14 Scotia, Canada. These cases involved addressing conventional ratemaking principles
15 focusing on the utility's revenue requirement. The firm Brubaker & Associates, Inc.
16 provides consulting services in the field of energy procurement and public utility
17 regulation to many clients including industrial and institutional customers, some
18 utilities and, on occasion, state regulatory agencies.

19 More specifically, we provide analysis of energy procurement options based
20 on consideration of prices and reliability as related to the needs of the client; prepare
21 rate, feasibility, economic, and cost of service studies relating to energy and utility
22 services; prepare depreciation and feasibility studies relating to utility service; assist in
23 contract negotiations for utility services, and provide technical support to legislative
24 activities.

1 In addition to our main office in St. Louis, the firm has branch offices in
2 Phoenix, Arizona and Corpus Christi, Texas.

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