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## **Office of Consumer Advocate Alerts PSC To Kinder Morgan's Non-Compliance**

CHEYENNE, WYOMING –

The Wyoming Office of Consumer Advocate filed a motion with the Wyoming Public Service Commission today asking that the Commission reject the "Revenue and Expense" study submitted by Kinder Morgan, Inc. on August 29<sup>th</sup>. The Company was required to file the study in an order issued by the Commission in March of 2002, granting Kinder Morgan's request to consolidate its Wyoming operations under the name Kinder Morgan, Inc. In that order the Commission determined that the Company should be required to show that the rates in effect at the time of the consolidation in each of Kinder Morgan's three Wyoming divisions remain appropriate after the consolidation. The Commission gave the Company a year to accumulate data on the consolidated operation before submitting the study to the Commission.

"The study submitted by the Company lacks even the most basic data required to determine whether or not the rates currently being charged by the Company for distribution service in Wyoming, on a consolidated basis, remain appropriate and do not cause the Company to exceed its authorized rate of return," said Bryce Freeman, Administrator of the OCA. Freeman went on to state that the study performed by the Company only relates to its Casper division operations and not its consolidated operations as required by the Commission's order.

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“The Commission should reject this study as not being in compliance with the Commission’s order and direct the Company to file a revised study within 30 days that provides the Commission and the OCA with the information necessary to determine the appropriate level of the Company’s earnings,” Freeman said. In addition to the unconsolidated nature of the study, Freeman said that it also contains numerous unexplained accounting adjustments that need to be clarified so that the Commission can determine if they are legitimate adjustments or not. “If even a small portion of the Company’s claimed expense adjustments are disallowed by the Commission it could cause the Company to exceed its Commission authorized rate of return,” Freeman said. “This investigation has been going on a long time and whatever excess earnings the Company has had since the investigation started have benefited shareholders at the expense of ratepayers. We want to get to the bottom of this as quickly as possible,” he said.