

KAREN MORGAN, CFA

Principal

AREAS OF EXPERTISE

- Utility cost of capital
- Utility finance and accounting
- Utility regulatory modeling
- Utility cost of service
- Utility rate regulation
- Canadian utility regulation



Summary of experience

Karen Morgan has more than 30 years of experience, specializing in utility rate and regulatory matters. Her work has focused on research of cost of equity capital for public utilities and pipeline transportation companies, capital market forecasting, financial statement analysis, and other utility issues, including investor-owned, crown, and municipal electric utilities, gas utilities, water utilities, and telecoms. Prior to consulting she worked for both private and public sector entities including British Telecom, Enbridge Gas Distribution, and Energy Mines and Resources Canada.

Ms. Morgan has worked on a wide variety of projects, including as advisor to the District of Columbia's Public Service Commission on cost of capital issues with the respect to Washington Gas Light's natural gas rate case (2022–2023) and Pepco's rate case (2023-2024); as advisor to the Nebraska Public Service Commission with respect to the Black Hills Nebraska natural gas general rate cases in 2020 and 2025; the review of utility transmission and distribution capital investment plans; project valuations; FERC market power filings; damages claims; and issues related to transfer pricing. Other work includes energy and capacity auction monitoring and procurement monitoring for commissions in Illinois, Maryland, New Jersey, Ohio, Oregon and Washington state. Details on other work and testifying experience are provided below.

Since 2016, on behalf of the Mississippi Public Utility Staff (MPUS), a Bates White team, including Ms. Morgan, has analyzed the annual transmission and distribution expansion and modernization plans of Entergy Mississippi (EML) on behalf of the MPUS. The reviews have addressed a range of issues, including data reporting, the justification for proposed transmission investments, ongoing monitoring of associated benefits, and deployment of Advanced Metering Infrastructure (AMI). (T&D Plan filings pursuant to the Joint Stipulation stemming from the proposed rate modernization in MPSC Docket 2014-UN-132; annual reports; work performed 2016–22). Beginning in 2021, the same team assessed EML's filed Energy Delivery Plans (EDPs) as required under the amended Rule 29: Integrated Resource Planning and Reporting as set forth in the order for Docket 2018-AD-64. Also beginning in 2021, Ms. Morgan and Bates White reviewed Mississippi Power Company's (MPC's) Capital Plan and EDP filings since they are required pursuant to Amended Rule 29.

In Nova Scotia, Ms. Morgan testified in hearings before the Nova Scotia Utility and Review Board (NSUARB) in October 2019 and September 2022 with respect to Nova Scotia Power Inc.'s (NSPI) Base Cost of Fuel Application and the 2022–2024 General Rate Application, respectively. In the first instance, NSPI sought to set customer rates for fuel and purchased power for the period 2020 through 2022. In the second case, NSPI sought to set rates for the 2022–2024 period. In addition, Ms. Morgan testified before the NSUARB in October 2019 on the application by NSP Maritime Link (NSPML) to recover \$144.5 million in 2020 related to costs associated with the “Maritime Link,” a high-voltage, direct current transmission line delivering energy from Newfoundland and Labrador to Nova Scotia. Ms. Morgan also filed testimony in NSPML’s 2020 application to recover costs of approximately \$172 million and its 2021 application for approval of final project costs of \$1.572 billion.

In Mississippi, Ms. Morgan has submitted testimony on behalf of the Mississippi Public Utilities Staff before the Mississippi Public Service Commission (Docket No. 2015-UN-049 (Atmos Mississippi)). Bates White provided an assessment of the utility’s rate rider as a tool to recover the costs, recommended enhancements and alternatives, and provided an assessment of the impact on the financial indicators of Atmos Mississippi of the rider as proposed and under various scenarios arising from the testimony on other witnesses.

Before joining Bates White, Ms. Morgan supported the preparation of over 150 cost of capital studies and testimonies for presentation before public utility commissions in both the United States and Canada, including the generic rate of return cases in both Alberta and British Columbia. These testimonies incorporated the assessment of the impact of business risk factors (e.g., competition, rate design, contractual arrangements) on capital structure and equity return requirements. She also conducted research related to regulatory practice (e.g., weighted average cost of capital, performance-based return, capital cost recovery, deferral accounts, etc.).

Education

- Certified Rate of Return Analyst (CRRRA), 1995
- Chartered Financial Analyst (CFA), 1994
- MA, Economics, University of Western Ontario, 1983
- BA (Hons.), Economics, Queen's University at Kingston, 1982

Professional experience

- Bates White Economic Consulting
 - Principal, 2021–present
 - Manager, 2014–2021
- Consultant, Foster Associates, Inc., 1994–2014
- Economist, Enbridge Gas Distribution (previously Consumers Gas), 1991–1994
- International Research Coordinator/Sales Trader, Dean Witter International Capital Markets and ANZ McCaughan, 1987–1990
- Economic Analyst/Programmer, British Telecom, Economics Advisory Division, 1986–1987
- Financial Systems Analyst, McLeod Young Weir (now Scotia McLeod), 1985–1986
- Economist, Energy Mines and Resources Canada, Financial and Fiscal Analysis Branch Energy Sector, 1983–1985

Selected consulting experience

- On behalf of the Nova Scotia Utility and Review Board, provided written testimony (with co-authors) concerning the Application by Nova Scotia Power Inc. for Approval of Revisions to its Rates, Charges and Regulations (2026 General Rate Application) (Matter M12451). Expected to testify orally in January 2026. Previously provided written and oral testimony (with co-authors) concerning Nova Scotia Power Inc.'s General Rate Application for rates 2022–2024. (Matter M10431)
- On behalf of the New Brunswick Energy and Utilities Board, supported the testifying expert in the matter of New Brunswick Power Corporation FY 2023/2024 General Rate Application (NBEUB Matter No. 0541) on issues related to fuel and purchased power expense.
- Advised the Nebraska Public Service Commission with respect to the Black Hills Nebraska natural gas general rate cases in 2025 and 2020.
- On behalf of the Nova Scotia Utility and Review Board, provided written testimony (with co-authors) concerning the Application by Nova Scotia Power Maritime Link Incorporated for Approval of the NSPML Maritime Link Project Capital Cost and 2022 Cost Assessment Approval Application (Matter M10206), provided oral testimony (with co-author) concerning the Application by Nova Scotia Power Maritime Link Incorporated for Approval of the 2021 Interim Cost Assessment (Matter M09810), and provided oral and written testimony (with co-author) concerning the Application by Nova Scotia Power Maritime Link Incorporated for Approval of the 2020 Interim Cost Assessment (Matter M09277)
- On behalf of the Nova Scotia Utility and Review Board, provided oral and written testimony (with co-authors) concerning the Application by Nova Scotia Power, Inc. for Approval of its 2020–2022 Fuel Stability Plan (Matter M09288)
- Member of four-person team retained in 2019 to prepare an estimate of the cost to construct the Heavy Water Storage and Drum Handling Facility at Ontario Power Generation's Darlington Nuclear Generating Station. The report presented a cost estimate for the engineering design, procurement, construction, and commissioning of the project, as it would have been before construction began.
- Submitted testimony (with co-author) on behalf of the Mississippi Public Utilities Staff before the Mississippi Public Service Commission in Docket No. 2015-UN-049 (Atmos Mississippi). Bates White provided Staff with an assessment of the rate rider as a tool to recover the costs, recommended enhancements and alternatives, and provided an assessment of the impact on the financial indicators of Atmos Mississippi of the rider as proposed and under various scenarios arising from the testimony of other witnesses.
- Supported the preparation of over 150 cost of capital studies and testimonies for presentation before public utility commissions in both the United States and Canada including the generic rate of return cases in both Alberta and British Columbia. Testimonies incorporated the assessment of the impact of business risk factors (e.g., competition, rate design, contractual arrangements) on capital structure and equity return requirements. Clients included gas utilities (AltaGas Utilities, Ameren, FortisBC Energy Inc., Enbridge Gas Distribution, Gazifère), pipelines (ATCO Pipelines, Enbridge Line 9, Laclede Pipeline, Plateau Pipeline, Platte Pipeline), electric utilities (ATCO Inc., Ameren, Maritime Electric, Newfoundland and Labrador Hydro, Newfoundland Power Inc., Northwest Territories Power Inc., Ontario Power Generation, Nova Scotia Power Inc.), water utilities (EPCOR – White Water, EPCOR – French Creek) and telecoms (Newfoundland Telephone, Northwestel, Stentor)
- Developed a spreadsheet-based cost of service model for a large Canadian vertically integrated utility. The final product aggregated a series of regional cost of service models and was designed to permit some modification of input assumptions to facilitate scenario testing.

Selected rate of return and capital structure cases worked

Alberta Utilities Generic Cost of Capital¹
2003, 2011, 2013

Ameren (Central Illinois Public Service)
2002, 2005, 2007 (2 cases),
2009 (2 cases)

Ameren (Central Illinois Light Company)
2005, 2007 (2 cases), 2009 (2 cases)

Ameren (Illinois Power)
2004, 2005, 2007 (2 cases), 2009 (2 cases)

Ameren (Union Electric)
2002 (2 cases), 2003,
2006 (2 cases)

ATCO Electric
1995, 2003, 2010

ATCO Gas
2003, 2007

ATCO Pipelines
2003, 2007, 2011

ATCO Utilities
(Generic Cost of Capital) 2008

Mississippi Public Utilities Staff
2015

Benchmark Utility Cost of Equity (British Columbia)
1999, 2013

Canadian Western Natural Gas
1996, 1998

Centra Gas B.C.
1995, 1996, 2002

Hydro One
2006 (2 cases)

Insurance Bureau of Canada (Newfoundland)
2004

Centra Gas Ontario
1995

Direct Energy Regulated Services
2005

Electricity Distributors Association
2009

Enbridge Gas Distribution
1994, 1995, 1996, 1997, 2001, 2002

Enbridge Gas New Brunswick
2000, 2010

Enbridge Pipelines (Line 9)
2007, 2009

Enbridge Pipelines (Southern Lights)
2007

EPCOR Water Services Inc.
2006, 2008, 2011

FortisBC
1995, 1999, 2001, 2004

FortisBC Energy Inc.
1994, 2005, 2009, 2011

Gas Company of Hawaii
2008

Gazifère
1995, 1996, 1997, 2010

Heritage Gas
2004, 2008, 2011

Northwestel, Inc.
2006

Northwest Territories Power Corp.
1995, 2001, 2006

¹ ATCO and AltaGas Utilities

Laclede Gas Company

2001, 2002, 2005

Laclede Pipeline

2006

Mackenzie Valley Pipeline

2005

Maritime Electric

2010

MidAmerican Energy Company

2009

Natural Resource Gas

1997, 2006, 2010

New Brunswick Power Distribution

2005

Newfoundland & Labrador Hydro

2001, 2003, 2013

Newfoundland Power

2002, 2007, 2009, 2012

Northland Utilities

2008 (2 cases)

Nova Scotia Power Inc.

2001, 2002, 2005, 2008, 2011, 2012

Ontario Power Generation

2007, 2010, 2013

Pacific Northern Gas

1994, 1997, 2001, 2005, 2009

Potomac Electric Power Co.

2024

Plateau Pipe Line Ltd.

2007

Platte Pipeline Co.

2002

St. Lawrence Gas

1997, 2002

Union Gas

1994, 1996, 1998, 2001

Washington Gas Light

2023

Westcoast Energy

2005

Yukon Electrical Company

2008

Selected other work

Client	Issue	Date
International Arbitration (various)	Damages	2021–2024
Nebraska Public Service Commission	Advisor	2020, 2025
Ontario Power Generation	Construction Cost Estimation	2020–2021
Nova Scotia Utility and Review Board	NSPI Base Cost of Fuel, Maritime Link	2019–2025
Mississippi Public Utilities Staff	Hypothetical Capital Structures	2018
Hawaii Public Utilities Commission	RFP Assessment	2018
Maryland Public Service Commission	SSO Auction	2018–2024
Ohio Public Utilities Commission	SSO and PIPP Auctions	2018–2025
Oregon Public Utility Commission	RFP Assessment	2017–2019, 2024
California Parties	Energy Crisis Settlements	2017, 2018
Nova Scotia Utility and Review Board	NSPI FAM Monitor, Fuel Audit	2017–2021
Illinois Commerce Commission	Energy, Capacity and ZEC Auctions	2017–2025
New Jersey Board of Public Utilities	BGS FP and CIEP Auctions	2017–2025
Mississippi Public Utilities Staff	Capital, EDP, IRP, T&D Plan Analyses	2016–2025
National Biodiesel Board	Renewable Fuel Standards	2016, 2017
International Chamber of Commerce	Petrochemical Contract Dispute	2016
Mississippi Public Utilities Staff	Purchased Power Agreements	2015
Occidental Chemical Corporation	Qualifying Facility	2015
Greater Toronto Airports Authority	Financial Performance Metrics	2012
Heritage Gas	Criteria for a Mature Utility	2011
Alberta Utilities	Management Fee on CIAC	2011
Maritimes & Northeast Pipeline	Return on Escrow Account	2010
Nova Scotia Power	Calculation of ROE	2009
Alberta Oilsands Pipeline	Cash Working Capital	2007
New Brunswick Power Distribution	Interest Coverage/Capital Structure	2007
Heritage Gas	Revenue Deficiency Account	2006
Hydro Québec	Cash Working Capital	2005
Nova Scotia Power	Cash Working Capital	2005
Ontario Electricity Distributors	Stand-Alone Income Taxes	2005
Caisse Centrale de Réassurance	Collateral Damages	2004
Hydro Québec	Cost of Debt	2004
Enbridge Gas New Brunswick	AFUDC	2004
Heritage Gas	Deferral Accounts	2004
ATCO Electric	Carrying Costs on Deferral Account	2001
Newfoundland & Labrador Hydro	Rate Base, Cash Working Capital	2001
Gazifère Inc.	Cash Working Capital	2000
Newfoundland & Labrador Hydro	Cost of Service	2000
Gas Company of Hawaii	Cost of Service	2000