

Exhibit No.:

Issue(s):

Witness/Type of Exhibit:

Accounting Order

Schallenberg/Affidavit

Sponsoring Party:

Case No.:

Public Counsel

EU-2019-XXX

AFFIDAVIT

OF

ROBERT E. SCHALLENGER

Submitted on Behalf of
the Office of the Public Counsel

**KCP&L GREATER MISSOURI OPERATIONS
COMPANY**

Case No. EU-2019-XXXX

December 28, 2018

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

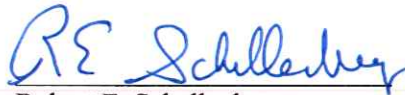
AFFIDAVIT OF ROBERT E. SCHALLENBERG

STATE OF MISSOURI)
) SS.

COUNTY OF COLE)

COMES NOW ROBERT E. SCHALLENBERG and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *PETITION FOR AN ACCOUNTING ORDER*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Robert E. Schallenberg
Director of Policy

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 28th day December, 2018.



TIFFANY HILDEBRAND
My Commission Expires
August 9, 2019
Cole County
Commission #15637121


Tiffany Hildebrand
Notary Public

My Commission expires August 9, 2019.

1. My name is Robert E. Schallenberg.
2. I am employed by the Missouri Office of the Public Counsel (“OPC”) as Director of Policy.
3. I previously provided testimony before the Missouri Public Service Commission (Commission) both as a member of Commission Staff and at OPC. My work and educational experience and background is attached to this affidavit as Schedule RES – 1.
4. Beginning in 1977, I have been continually involved in the development of utility cost of service, utility accounting, reconciliations thereto, and the impacts specific events have on a company’s cost of service. I began my career with the Commission performing Fuel Adjustment Clause (“FAC”) audits on behalf of the Commission staff. During Case No. ER-2018-0146 I worked with Mr. John Robinett and other members of OPC regarding the timing of the Sibley 3 retirement, new rates, and the impact of these items on the recovery of the retirement costs on customer rates.
5. In GMO’s last general electric rate case, Case No. ER-2018-0146, GMO’s cost of service the Commission used to establish GMO’s customer rates included the costs and revenue margins of GMO’s Sibley generating units which were operational throughout the test year as updated and trued-up.
6. When the retirement of Sibley generating units 2 and 3, along with the unit 1 boiler and common plant occurs, GMO will experience cost reductions from the expense levels included in GMO’s new rates. The new rates included expense levels consistent with these units being in operation. GMO’s shareholder will benefit at the expense of GMO’s captive retail customers. GMO’s shareholder will receive through retail customer rates the full benefit of the reduction in Sibley generation units’ expense without absorbing any of the fuel cost increase created when GMO’s Southwest Power Pool margin revenues from the Sibley plants are eliminated. These increased fuel costs will be passed through to GMO’s customers through its FAC as FAC charges will be higher (or less negative) than they otherwise would be.
7. Without setting new general rates or granting the requested Accounting Order, Missouri’s regulatory scheme, in part through the FAC, will give GMO’s shareholder an economic benefit that exceeds the actual expense reduction due to retiring of the Sibley units.

CASE PROCEEDING PARTICIPATION**ROBERT E. SCHALLENBERG****COMPANY****CASE NO.**

| | |
|---|--------------|
| Spire Missouri (Six Cases) | GO-2016-0332 |
| KCP&L Greater Missouri Operations Company | ER-2018-0146 |
| Kansas City Power & Light Company | ER-2018-0145 |
| Grain Belt Express Clean Line, LLC | EA-2016-0358 |
| Spire, Inc. | GM-2016-0342 |
| EnergySouth, Inc. | |
| Great Plains Energy, Inc. | EM-2016-0324 |
| Westar Energy, Inc. | |
| Kansas City Power & Light Company | ER-2016-0285 |
| The Empire District Electric Company, | EM-2016-0213 |
| Liberty Utilities (Central) Co. and Liberty Sub Corp. | |
| Laclede Gas Company | GF-2015-0181 |
| The Empire District Electric Company | AO-2012-0062 |
| KCP&L Greater Missouri Operations Company | ER-2010-0356 |
| Kansas City Power & Light Company | ER-2010-0355 |
| Great Plains Energy Incorporated, | ER-2009-0090 |
| Kansas City Power & Light Company | |
| Great Plains Energy Incorporated, | ER-2009-0089 |
| Kansas City Power & Light Company | |
| Great Plains Energy Incorporated, | EM-2007-0374 |
| Kansas City Power & Light Company, Aquila, Inc. | |
| Union Electric Company, d/b/a AmerenUE | ER-2007-0002 |
| Missouri Pipeline Company | GC-2006-0491 |
| Aquila, Inc. | ER-2005-0436 |
| Union Electric Company, d/b/a AmerenUE | EA-2005-0180 |
| Union Electric Company, d/b/a AmerenUE | EC-2002-1 |
| Mississippi River Transmission | RP96-199-000 |
| Williams Natural Gas Company | RP96-173-000 |

CASE PROCEEDING PARTICIPATION

ROBERT E. SCHALLENBERG

| | |
|-------------------------------------|------------------------|
| Williams Natural Gas Company | RP95-136-000 |
| Williams Natural Gas Company | RP94-365-000 |
| Laclede Gas Company | GR-94-220 |
| Western Resources | GM-94-40 |
| <u>COMPANY</u> | <u>CASE NO.</u> |
| Western Resources | GR-93-240 |
| St. Joseph Light & Power Company | ER-93-41 |
| Southwestern Bell Telephone Company | TC-93-224 |
| St. Joseph Light & Power Company | EC-92-214 |
| Kansas Power & Light Company | GR-91-291 |
| Kansas Power & Light Company | EM-91-213 |
| Arkansas Power & Light Company | EM-91-29 |
| Missouri Public Service Company | ER-90-101 |
| Southwestern Bell Telephone Company | TR-90-98 |
| General Telephone | TR-89-182 |
| Southwestern Bell Telephone Company | TO-89-56 |
| Southwestern Bell Telephone Company | TC-89-14 |
| Union Electric Company | EC-87-114 |
| General Telephone | TC-87-57 |
| General Telephone | TM-87-19 |
| General Telephone | TR-86-148 |
| Southwestern Bell Telephone Company | TR-86-84 |
| Kansas City Power & Light Company | EO-85-185 |
| Kansas City Power & Light Company | ER-85-128 |
| Southwestern Bell Telephone Company | TR-83-253 |
| Kansas City Power & Light Company | ER-83-49 |
| Southwestern Bell Telephone Company | TR-82-199 |
| Kansas City Power & Light Company | HR-82-67 |

CASE PROCEEDING PARTICIPATION

ROBERT E. SCHALLENBERG

| | |
|-------------------------------------|-----------|
| Kansas City Power & Light Company | ER-82-66 |
| Southwestern Bell Telephone Company | TO-82-3 |
| Southwestern Bell Telephone Company | TR-81-208 |
| Kansas City Power & Light Company | ER-81-42 |

COMPANY

CASE NO.

| | |
|--------------------------------------|-----------|
| Southwestern Bell Telephone Company | TR-80-256 |
| United Telephone Company of Missouri | TR-80-235 |
| Kansas City Power & Light Company | ER-80-204 |
| Kansas City Power & Light Company | ER-80-48 |
| Kansas City Power & Light Company | ER-80-48 |
| Southwestern Bell Telephone Company | TR-79-213 |
| Gas Service Company | GR-79-114 |
| Missouri Public Service Company | ER-79-60 |
| Missouri Public Service Company | ER-79-61 |
| Kansas City Power & Light Company | ER-78-252 |
| Missouri Public Service Company | GR-78-30 |
| Missouri Public Service Company | ER-78-29 |
| Gas Service Company | GR-78-70 |
| Kansas City Power & Light Company | ER-77-118 |

**CASE SUMMARY OF INVOLVEMENT
OF
ROBERT E. SCHALLENBERG**

Spire Missouri

Case No. GO-2016-0332; GO-2016-0333; GO-2017-0201; GO-2017-0202: GO-2018-0309:
GO-2018-0310

Date: August 2018

Areas: Cost Recovery Mechanism/ISRS

Kansas City Power & Light Company & KCP&L Greater Missouri Operations

Case No. ER-2018-0145 & ER-2018-0146

Date: June, 2018 – Direct; July 2018 – Rebuttal; September, 2018-Surrebuttal & True-up Direct

Areas: Policy/Productivity/Affiliate Transactions/Capital Structure/True-up

Grain Belt Express Clean Line, LLC

Case No. EA-2016-0358

Date: January 24, 2017 (Rebuttal Report)

Areas: Public Comments

Spire, Incorporated

EnergySouth, Inc.

Case No. GM-2016-0342

Date: September 1, 2016 (Investigation Report)

Areas: Affiliated Transactions

Great Plains Energy Incorporated

Westar Energy, Inc.

Case No. EM-2016-0324

Date: July 25, 2016 (Investigation Report)

Areas: Affiliated Transactions

Kansas City Power & Light Company

Case No. ER-2016-0285

Date: January 27, 2017 (Surrebuttal)

Areas: Affiliate Transactions

The Empire District Electric Company,

Liberty Utilities (Central) Co. and Liberty Sub Corp.

Case No. EM-2016-0213

Date: July 20, 2016 (Rebuttal)

Areas: Affiliated Transactions

Laclede Gas Company

Case No. GF-2015-0181

Date: June 18, 2015 (Affidavit)

Areas: Finance Authority

**CASE SUMMARY OF INVOLVEMENT
OF
ROBERT E. SCHALLENBERG**

The Empire District Electric Company
Case No. AO-2012-0062
Date: September 9, 2016 (Direct)
Areas: Affiliated Transactions; Cost Allocation Manual

KCP&L Greater Missouri Operations Company
Case No. ER-2010-0356
Date: November 4, 2010 (Report)
Areas: Construction Audit and Prudence Review

Kansas City Power & Light Company
Case No. ER-2010-0355
Date: November 4, 2010 (Report)
Areas: Construction Audit and Prudence Review

Great Plains Energy Incorporated,
Kansas City Power & Light Company
Case No. ER-2009-0090
Date: April 9, 2009 (Surrebuttal)
Areas: Iatan Prudence Review

Great Plains Energy Incorporated,
Kansas City Power & Light Company
Case No. ER-2009-0089
Date: April 7, 2009 (Surrebuttal)
Areas: Iatan Prudence Review

Great Plains Energy Incorporated,
Kansas City Power & Light Company, Aquila, Inc.
Case No. EM-2007-0374
Date: October 12, 2007 (Rebuttal and
Staff Report of Evaluation and Recommendations)
Areas: GPE Acquisition of Aquila

Union Electric Company, d/b/a AmerenUE
Case No. ER-2007-0002
Date: February 28, 2007 (Surrebuttal)
Areas: EEInc.
Date: January 31, 2007 (Rebuttal)
Areas: EEInc. and 4 CSR 240-10.020

**CASE SUMMARY OF INVOLVEMENT
OF
ROBERT E. SCHALLENBERG**

Missouri Pipeline Company

Case No. GC-2006-0491

Date: September 6, 2006 (Direct)
November 17, 2006 (Surrebuttal)

Areas: Affiliate Transactions, Tariff Violations and Associated Penalties;
Transportation Tariffs

Aquila, Inc.

Case No. ER-2005-0436

Date: October, 14 2005 (Direct)
December 13, 2005 (Surrebuttal)

Areas: Unit Ownership Costs

Union Electric Company, d/b/a AmerenUE

Case No. EA-2005-0180

Date: October 15, 2005 (Rebuttal)

Areas: East Transfer

Union Electric Company d/b/a AmerenUE

Case No. EC-2002-1

Date: June 24, 2002 (Surrebuttal)

Area: Overview, 4 CSR 240-10.020, Alternative Regulation Plan

Laclede Gas Company

Case No. GR-94-220

Date: July 1, 1994 (Direct)

Areas: Property Taxes, Manufactured Gas Accruals, Deregulated Cost Assignments

Western Resources, Inc.,

dba Gas Service, a Western Resources Company

Case No. GM-94-40

Date: November 29, 1993 (Rebuttal)

Areas: Jurisdictional Consequences of the Sale of Missouri Gas Properties

Kansas Power & Light Company

Case No. EM-91-213

Date: April 15, 1991 (Rebuttal)

Areas: Purchase of Kansas Gas & Electric Company

Arkansas Power & Light Company and Union Electric Company

Case No. EM-91-29

Date: 1990-1991

Areas: No pre-filed rebuttal testimony by Staff before non-unanimous stipulation
and agreement reached.

**CASE SUMMARY OF INVOLVEMENT
OF
ROBERT E. SCHALLENBERG**

General Telephone Company of the Midwest

Case No. TM-87-19

Date: December 17, 1986

Areas: Merger

Union Electric Company

Case No. EC-87-114

Date: September 9, 1987 (Surrebuttal)

Date: April 24, 1987 (Direct)

Areas: Elimination of Further Company Phase-In Increases, Write-Off of Callaway I to Company's Capital Structure

General Telephone Company of the Midwest

Case No. TC-87-57

Date: December 22, 1986

Areas: Background and Overview, GTE Service Corporation, Merger Adjustment, Adjustments to Income Statement

Southwestern Bell Telephone Company

Case No. TR-86-84

Date: 1986

No prefiled direct testimony by Staff - case settled before Staff direct testimony filed.

Kansas City Power & Light Company

Case Nos. EO-85-185 and ER-85-128

Date: April 11, 1985

Areas: Phase I - Electric Jurisdictional Allocations

Date: June 21, 1985

Areas: Phase III - Deferred Taxes Offset to Rate Base

Date: July 3, 1985

Areas: Phase IV - 47% vs. 41.5% Ownership, Interest, Phase-In, Test Year/True-Up, Decision to Build Wolf Creek, Non-Wolf Creek Depreciation Rates, Depreciation Reserve

Southwestern Bell Telephone Company

Case No. TR-83-253

Date: September 23, 1983

Areas: Cost of Divestiture Relating to AT&T Communications, Test Year, True-Up, Management Efficiency and Economy

Kansas City Power & Light Company

Case No. ER-83-49

Date: February 11, 1983

Areas: Test Year, Fuel Inventories, Other O&M Expense Adjustment, Attrition Adjustment,

**CASE SUMMARY OF INVOLVEMENT
OF
ROBERT E. SCHALLENBERG**

Fuel Expense-Forecasted Fuel Prices, Deferred Taxes Offset to Rate Base

Kansas City Power & Light Company

Case Nos. ER-82-66 and HR-82-67

Date: March 26, 1982

Areas: Indexing/Attrition, Normalization vs. Flow-Through, Deferred Taxes as an Offset to Rate Base, Annualization of Amortization of Deferred Income Taxes, Cost of Money/Rate of Return, Allocations, Fuel Inventories, Iatan AFDC Associated with AEC Sale, Forecasted Coal and Natural Gas Prices, Allowance for Known and Measurable Changes

Southwestern Bell Telephone Company

Case No. TR-82-199

Date: August 27, 1982

Areas: License Contract, Capitalized Property Taxes, Normalization vs. Flow-Through, Interest Expense, Separations, Consent Decree, Capital Structure Relationship

Generic Telecommunications

Straight Line Equal Life Group and Remaining Life Depreciation Methods

Case No. TO-82-3

Date: December 23, 1981

Areas: Depreciation

Southwestern Bell Telephone Company

Case No. TR-81-208

Date: August 6, 1981

Areas: License Contract, Flow-Through vs. Normalization

Kansas City Power & Light Company

Case No. ER-81-42

Date: March 13, 1981

Areas: Iatan (AEC Sale), Normalization vs. Flow-Through, Allocations, Allowance for Known and Measurable Changes

Southwestern Bell Telephone Company

Case No. TR-80-256

Date: October 23, 1980

Areas: Flow-Through vs. Normalization

United Telephone Company of Missouri

Case No. TR-80-235

Date: December 1980

Areas: Rate of Return

**CASE SUMMARY OF INVOLVEMENT
OF
ROBERT E. SCHALLENBERG**

Kansas City Power & Light Company

Case Nos. ER-80-48 and ER-80-204

Date: March 11, 1980

Areas: Iatan Station Excess Capacity, Interest Synchronization, Allocations

Southwestern Bell Telephone Company

Case No. TR-79-213

Date: October 19, 1979

Areas: Income Taxes, Deferred Taxes

Gas Service Company

Case No. GR-79-114

Date: June 15, 1979

Areas: Deferred Taxes as an Offset to Rate Base

Missouri Public Service Company

Case Nos. ER-79-60 and GR-79-61

Date: April 9, 1979

Areas: Depreciation Reserve, Cash Working Capital

Missouri Public Service Company

Case Nos. ER-78-29 and GR-78-30

Date: August 10, 1978

Areas: Fuel Expense, Electric Materials and Supplies, Electric and Gas Prepayments,
Electric and Gas Cash Working Capital, Electric Revenues

While in the employ of the Kansas State Corporation Commission in 1978, Mr. Schallenberg worked on a Gas Service Company rate case and rate cases of various electric cooperatives.