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Missouri Public
Service Commission

Exhibit No.:

Witness: Robert E. Schallenberg

Sponsoring Party: MoPSC Staff

Type of Exhibit: Experience and Education

Case No.: EO-2005-0263

Date Prepared: July 21, 2005

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

EXPERIENCE AND EDUCATION

OF

ROBERT E. SCHALLENBERG

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. EO-2005-0263

Jefferson City, Missouri
July 21, 2005

Exhibit No. 1
Case No(s). EO-2005-0263
Date 7-21-05 **Rptr** EF

1 **EXPERIENCE AND EDUCATION**

2 **OF**

3 **ROBERT E. SCHALLENBERG**

4 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

5 **CASE NO. EO-2005-0263**

6 Q. Please state your name and business address.

7 A. Robert E. Schallenberg, 200 Madison Street, Jefferson City, Missouri, 65102.

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

9 A. I am the Director of the Utility Services Division of the Missouri Public
10 Service Commission (MoPSC).

11 Q. Please describe your educational background.

12 A. I am a 1976 graduate of the University of Missouri at Kansas City with a
13 Bachelor of Science degree and major emphasis in Accounting. In November 1976, I
14 successfully completed the Uniform Certified Public Accountant (CPA) examination and
15 subsequently received the CPA certificate. In 1989, I received my CPA license in Missouri. I
16 began my employment with the Missouri Public Service Commission as a Public Utility
17 Accountant in November 1976. I remained on the Staff of the Missouri Public Service
18 Commission until May 1978, when I accepted the position of Senior Regulatory Auditor with
19 the Kansas State Corporation Commission. In October 1978, I returned to the Staff of the
20 Missouri Public Service Commission. Most immediately prior to October 1997, I was an
21 Audit Supervisor/Regulatory Auditor V. In October 1997, I began my current position as
22 Division Director of the Utility Services Division of the MoPSC.

1 Q. Please describe your responsibilities and experience while employed at the
2 MoPSC as Regulatory Auditor V.

3 A. As a Regulatory Auditor V for the MoPSC, I had several areas of
4 responsibility. I was required to have and maintain a high degree of technical and substantive
5 knowledge in utility regulation and regulatory auditing. Among my various responsibilities as
6 a Regulatory Auditor V were:

7 1. To conduct the timely and efficient examination of the accounts, books,
8 records and reports of jurisdictional utilities;

9 2. To aid in the planning of audits and investigations, including staffing
10 decisions, and in the development of Staff positions in cases to which the Accounting
11 Department of the MoPSC was assigned, in cooperation with management and other Staff;

12 3. To serve as lead auditor, as assigned on a case-by-case basis, and to report to
13 the Assistant Manager-Accounting at the conclusion of the case on the performance of less
14 experienced auditors assigned to the case, for use in completion of annual written
15 performance evaluations;

16 4. To assist in the technical training of other auditors in the Accounting
17 Department;

18 5. To prepare and present testimony in proceedings before the MoPSC and the
19 Federal Energy Regulatory Commission (FERC), and aid MoPSC Staff attorneys and the
20 MoPSC's Washington, D.C. counsel in the preparation of pleadings and for hearings and
21 arguments, as requested; and

22 6. To review and aid in the development of audit findings and prepared testimony
23 to be filed by other auditors in the Accounting Department.

1 The MoPSC relies on the Regulatory Auditor V position to be able to present and
2 defend positions both in filed testimony and orally at hearing. I have presented testimony on
3 many occasions before the MoPSC on issues ranging from the prudence of building power
4 plants to the appropriate method of calculating income taxes for ratemaking purposes. I have
5 worked in the areas of regulation of telephone, electric and gas utilities. I even have taken
6 depositions on behalf of the MoPSC in an FERC natural gas pipeline case. Attached as
7 Schedule 1, is a listing of cases and issues on which I have worked at the MoPSC. As
8 indicated above, my responsibilities were expanded to include assisting in rate proceedings
9 and other public utility regulatory matters at the federal level on behalf of the MoPSC as
10 assigned.

11 Q. Have you previously submitted testimony in proceedings before the FERC?

12 A. Yes. I submitted testimony in Docket Nos. RP94-365, RP95-136, RP96-173,
13 et. al. These were cases involving Williams Natural Gas Company (WNG). WNG provides
14 gas transportation and storage services for local gas distribution companies serving the
15 western portion of Missouri. WNG provides service to Missouri Gas Energy, a division of
16 Southern Union Company which serves the Kansas City area. My testimony in Docket No.
17 RP94-365 involved a prudence challenge of the costs that WNG sought to recover in that
18 case. I also filed testimony regarding certain cost of service issues in WNG's FERC rate case,
19 Docket No. RP95-136. These issues included affiliated transactions between WNG and its
20 parent. I filed testimony in Docket No. RP96-173, et. al., on the issue of whether the costs in
21 question met FERC's eligibility criteria for recovery under FERC Order No. 636.

22 I submitted testimony in Mississippi River Transmission (MRT) Corporation's rate
23 case, Docket No. RP96-199. MRT provides gas transportation and storage services for local

1 distribution companies serving the eastern portion of Missouri. MRT provides service to
2 Laclede Gas Company, which serves the St. Louis area. My testimony in Docket No.
3 RP96-199 involved cost of service issues. These issues included affiliated transactions
4 between MRT and its parent.

5 Q. During your career have you been involved in the negotiation and drafting of
6 agreements between the MoPSC Staff and the utilities under the jurisdiction of the MoPSC?

7 A. Yes. I have been involved in negotiations in practically every case in which I
8 have been involved. I have been involved in either the actual drafting of language or the
9 review of language of each stipulation and agreement in these cases related to revenue
10 requirement issues. This experience began with my first rate case involving Kansas City
11 Power & Light Company, in Case No. ER-77-118. In addition, I have participated in FERC
12 settlement conferences on behalf of the MoPSC. Currently, I have performed significant
13 work in Kansas City Power & Light Company's Iatan 2 generating station regulatory plan
14 workshop, Case No. EW-2004-0596.

15 Q. In which cases have you filed testimony?

16 A. Attached as Schedule 1 is a listing of all cases in which I filed testimony and/or
17 testified.

RATE CASE PROCEEDING PARTICIPATION

ROBERT E. SCHALLENBERG

<u>COMPANY</u>	<u>CASE NO.</u>
Southwestern Bell Telephone	TR-79-213
Southwestern Bell Telephone	TR-80-256
Southwestern Bell Telephone	TR-81-208
Southwestern Bell Telephone	TR-82-199
Southwestern Bell Telephone	TR-83-253
Southwestern Bell Telephone	TR-86-84
Southwestern Bell Telephone	TC-89-14
Southwestern Bell Telephone	TO-89-56
Southwestern Bell Telephone	TR-90-98
Southwestern Bell Telephone	TC-93-224
Southwestern Bell Telephone	TO-82-3
Kansas City Power & Light Company	ER-77-118
Kansas City Power & Light Company	ER-78-252
Kansas City Power & Light Company	ER-80-48
Kansas City Power & Light Company	ER-81-42
Kansas City Power & Light Company	ER-82-66
Kansas City Power & Light Company	HR-82-67
Kansas City Power & Light Company	ER-83-49
Kansas City Power & Light Company	EO-85-185
Kansas City Power & Light Company	ER-85-128
Missouri Public Service	ER-78-29
Missouri Public Service	GR-78-30
Missouri Public Service	ER-90-101
General Telephone	TM-87-19
General Telephone	TR-86-148
General Telephone	TC-87-57
General Telephone	TR-89-182
Gas Service Company	GR-78-70

Gas Service Company	GR-79-114
Union Electric	EC-87-114
Kansas Power & Light Company	GR-91-291
Kansas Power & Light Company	EC-91-213
Western Resources	GR-93-240
Western Resources	GM-94-40
United Telephone Company of Missouri	TR-80-235
St. Joseph Light and Power Company	EC-92-214
St. Joseph Light and Power Company	ER-93-41
Kansas Power and Light Company	EM-91-213
Laclede Gas Company	GR-94-220
Williams Natural Gas Company	RP94-365-000
Williams Natural Gas Company	RP95-136-000
Mississippi River Transmission	RP96-199-000
Union Electric	EO-96-14
Laclede Gas Company	GT-2001-329
Union Electric	EC-2002-1

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

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-78-29 and ER-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

Missouri Public Service Company

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

Date: April 9, 1979

Areas: Depreciation Reserve, Cash Working Capital

Southwestern Bell Telephone Company

Case No. TR-79-213

Date: October 19, 1979

Areas: Income Taxes, Deferred Taxes

Kansas City Power & Light Company

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

Date: March 11, 1980

Areas: Iatan, Interest Synchronization, Allocations

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

Southwestern Bell Telephone Company

Case No. TR-81-08

Date: August 6, 1981

Areas: License Contract, Flow-Through vs. Normalization

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

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

Kansas City Power & Light Company

Case Nos. EO-85-185 and ER-85-28

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, Phase-In, Test Year/True-Up, Decision to Build Wolf Creek, Non-Wolf Creek Depreciation Rates, Depreciation Reserve, Jurisdictional Steam Allocation/Grand Avenue Station

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

Generic - Straight Line Equal Life Group and Remaining Life Depreciation Methods

Case No. TO-82-3

Date: December 23, 1981

Areas: Depreciation

General Telephone Company of the Midwest

Case No. TM-87-19

Date: December 17, 1986

Areas: Merger

General Telephone Company of the Midwest

Case No. TC-87-57 (TR-86-48)

Date: December 1986

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

Southwestern Bell Telephone Company

Case No. TR-86-4

Date: None

No prefiled direct testimony

Union Electric Company

Case No. EC-87-114

Date: April 27, 1987

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

Western Resources

Case No. GM-94-40

Date: November 1993

Areas: Jurisdictional Consequences of the Sale of Missouri Gas Properties

Kansas Power & Light Company

Case No. EM-91-213

Date: April 1991

Areas: Purchase of Kansas Gas & Electric Company

Laclede Gas Company
Case No. GR-94-220
Date: July 1994
Areas: Property Taxes, Manufactured Gas Accruals, Deregulated Cost Assignments

Williams Natural Gas
Docket No.: RP94-365
Date: November 9, 1995
Areas: Imprudence of pipeline decisions that led to the incurrence of gas supply realignment costs.

Williams Natural Gas
Docket No.: RP-95-136
Date: November 30, 1995 and June 14, 1996
Areas: Depreciation and amortization expenses and the Administrative & General (A&G) expenses, including expenses relating to affiliate transactions.

Mississippi River Terminal Corporation
Docket No.: RP96-199
Date: January 3, 1997 and March 26, 1997
Areas: Rate base, expenses and capital structure issues.

Union Electric Company
Case No. EO-96-14
Date: April 1999
Areas: Alternative Regulation Plan Agreements

Laclede Gas Company
Case No. GT-2001-329
Date: May 30, 2001
Areas: Gas Supply Incentive Plan

Union Electric Company
Case No. EC-2002-1
Date: June 24, 2002
Areas: Overview: 4 CSR 240-10.020; and Alternative Regulation Plan.

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.