Exhibit No.:

Records Retention Issues: Witness: Herman Schopman

**Sponsoring Party:** Trigen-Kansas City

Energy Corporation Surrebuttal Testimony

Type of Exhibit:

Case No.: HM-2004-0618

Date Testimony Prepared: November 8, 2004

### MISSOURI PUBLIC SERVICE COMMISSION UTILITY OPERATIONS DIVISION

## SURREBUTTAL TESTIMONY **OF HERMAN SCHOPMAN**

#### TRIGEN-KANSAS CITY ENERGY CORP. and THERMAL NORTH AMERICA, INC.

**CASE NO. HM-2004-0618** 

November 2004

# BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

Joint Application of	)	
Trigen-Kansas City Energy Corp.	)	
and	Case No. HM-2004-0618	
Thermal North America, Inc.	)	
For Grant of the Authority Necessary for the Transfer of Control and Sale of All Stock Currently Owned by Trigen Energy Corporation, Inc. to Thermal North America, Inc.	) ) ) ) )	
AFFIDAVIT OF HI	ERMAN SCHOPMAN	
STATE OF) ss COUNTY OF)		
preparation of the following Surrebuttal Test of 3 pages of Surrebuttal Testimony to be the following Surrebuttal Testimony were give	n his oath states: that he has participated in the timony in question and answer form, consisting presented in the above case, that the answers even by him; that he has knowledge of the matter atters are true to the best of his knowledge are	ig in rs
-	Herman Schopman	
Subscribed and sworn to before me th	nis, 2004.	
My Commission Expires:	Notary Public	

1	SURREBUTTAL TESTIMONY OF
2	HERMAN SCHOPMAN
3	TRIGEN-KANSAS CITY ENERGY CORP.
4	CASE NO. HM-2004-0618
5	
6	Q. What is your name and address?
7	A. My name is Herman Schopman and my business address is 1990 Post Oak Boulevard,
8	Suite 1900, Houston, Texas 77056-4499.
9	Q. By whom are you employed and in what capacity?
10	A. I am Vice President of both Trigen Energy Corporation and Trigen-Kansas City
11	Energy Corporation, and I am authorized to testify today on behalf of both of those
12	companies. I will refer to those corporations as Trigen Energy and Trigen KC respectively.
13	In addition, I am Senior Vice President Steam Plant Operations of Tractebel Power, Inc.
14	Q. What is the purpose of the testimony you are giving today?
15	A. I will be testifying about the ability of Trigen Energy to support Trigen Kansas City
16	after the close of the sale to Thermal North America Inc.
17	Q. Please describe your educational background and professional experience.
18	A. I received a Bachelor of Science degree in Mechanical Engineering from
19	Pennsylvania State University in 1982. I am a registered Professional Engineer in the
20	Commonwealth of Pennsylvania. I began my career in 1982 working for General Physics
21	Corporation of Columbia, Maryland. I spent five years with General Physics working as a
22	consulting engineer assigned to Limerick Generating Station, a twenty-two hundred
23	megawatt nuclear power station owned and operated by PECO Energy. In 1987 I joined the

- 1 company that at that time was known as Philadelphia Thermal Energy Corporation, as a
- 2 Project Engineer. In 1989 I became its Manager of Plant Engineering and Maintenance, in
- 3 1997 its Vice President Operations and in 2000 I was designated as its President. As a result
- 4 of organizational changes within Trigen Energy, my title at Trigen- Philadelphia was
- 5 changed to Vice President in 2002. In 2002 I also was named Senior Vice President Steam
- 6 Plant Operations of Tractebel Power, Inc.
- 7 Q. Have you ever testified before this Commission or any other regulatory
- 8 commission?
- 9 A. I have never testified before the Missouri Public Service Commission. However, my
- written direct testimony was submitted to the Pennsylvania Public Utility Commission in
- December 2001 in connection with Trigen-Philadelphia's general rate case, but I was not
- subjected to cross-examination because the case was settled prior to scheduled hearings.
- 13 Q. Mr. Schopman, what is your role within the Trigen Energy Corporation
- 14 **organization?**
- 15 A. I am Vice President of Trigen Energy Corporation.
- 16 Q. Will you please explain Trigen Energy Corporation's intent with regarding to
- 17 records transfer to Trigen Kansas City once the sale has occurred?
- 18 A. Prior to close, Trigen Energy Corporation will perform an exhaustive search of its
- 19 paper and electronic records. We will transfer our entire inventory of those records to Trigen
- 20 Kansas City. We will retain a copy of those records here in Houston as well so that we may
- 21 remain in compliance with all statutory and other obligations such as those arising from the
- 22 Purchase and Sale Agreement. Subsequent to close, should Trigen Energy Corporation

- discover any additional documents related to Trigen Kansas City, we will promptly provide
- 2 those documents to Trigen Kansas City.
- 3 Q. Will Trigen energy also make available any member of its staff to support any
- 4 future regulatory proceedings related to Trigen Kansas City?
- 5 A. No, that will not be possible nor will it be practical. In 2002, Trigen Energy
- 6 Corporation made a decision to relocate its corporate offices from White Plains, New York to
- 7 Houston, Texas. In that move, none of personnel in White Plains with any familiarity with
- 8 the business operations of Trigen Kansas City either accepted or were offered positions in
- 9 Houston. Also, in 2002, Trigen Energy Corporation centralized its local accounting
- 10 functions in Houston, including accounting for Trigen Kansas City. No employees with
- experience in the Trigen Kansas City business either accepted or were offered positions in
- Houston. The accounting staff in Houston that currently performs the accounting functions
- 13 for Trigen Kansas City will be furloughed after the DHCS transaction closes and any agreed
- upon transition period has lapsed. As a result, there simply will be nobody within the Trigen
- 15 Energy Corporation organization with any knowledge of the Trigen Kansas City business.

#### 16 Q. Will the same apply with operational staff?

- 17 A. Yes. During the move from White Plains to Houston, no operations personnel who
- were familiar with the Trigen Kansas City facilities either accepted or were offered a position
- in Houston. In any case, the principal source of operational expertise was maintained at the
- 20 Trigen Kansas City facility. It is my understanding that the Buyer intends to keep the current
- 21 operational staff largely intact. Therefore, sufficient operational expertise will remain at
- 22 Trigen Kansas City should the need arise for future testimony or other support.