

Exhibit No.:
Issue: AAO Request
Witness: Mark L. Oligschlaeger
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: EO-2008-0216
Date Testimony Prepared: April 22, 2011

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

REBUTTAL TESTIMONY

OF

MARK L. OLIGSCHLAEGER

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. EO-2008-0216

Jefferson City, Missouri
April, 2011

Staff Exhibit No. 8
Date 5/17/11 Reporter SM
File No. EO-2008-0216

OF

OF

MARK L. OLIGSCHLAEGER

KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NO. ER-2008-0216

Q. Please state your name and business address.

A. Mark L. Oligschlaeger, P.O. Box 360, Suite 440, Jefferson City, MO 65102.

Q. Please describe your educational background and work experience.

A. I attended Rockhurst College in Kansas City, Missouri, and received a Bachelor of Science degree in Business Administration, with a major in Accounting, in 1981. I have been employed by the Missouri Public Service Commission ("Commission") since September 1981 within the Auditing Department.

Q. Are you a Certified Public Accountant (CPA)?

A. Yes, I am. In November 1981, I passed the Uniform Certified Public Accountant examination and, since February 1989, have been licensed in the state of Missouri as a CPA. The Uniform CPA examination consisted of four parts: Accounting Practice, Accounting Theory, Auditing and Business Law. I received a passing score in all four of these components the first time that I took the test.

Q. Have you previously filed testimony before this Commission?

A. Yes, numerous times. A listing of the cases in which I have previously filed testimony before this Commission, and the issues I have addressed in testimony in cases from 1990 to current, is attached as Schedule 1 to this rebuttal testimony.

1 Q. What knowledge, skills, experience, training and education do you have in the
2 areas of which you are testifying as an expert witness?

3 A. I have been employed by this Commission as a Regulatory Auditor for over
4 29 years, and have submitted testimony on ratemaking matters numerous times before the
5 Commission. I have also been responsible for the supervision of other Commission
6 employees in rate cases and other regulatory proceedings many times. I have received
7 continuous training at in-house and outside seminars on technical ratemaking matters since
8 I began my employment at the Commission.

9 Effective April 18, 2011, I was appointed to the position of Acting Manager of the
10 Commission's Auditing Department. Prior to this appointment, I held the position of Utility
11 Regulatory Auditor V.

12 Q. What is the purpose of your rebuttal testimony in this proceeding?

13 A. The purpose of this testimony is to address the direct testimony of KCP&L
14 Greater Missouri Operations Company (GMO or "Company") witness Tim M. Rush in this
15 proceeding, specifically his suggestion the Commission could use an accounting authority
16 order (AAO) to allow GMO the opportunity to recover any amounts the Commission
17 determines should be refunded to customers as a result of the court's opinion and remand to
18 the Commission.

19 Q. What specific portion of Mr. Rush's testimony will you address?

20 A. On pages 11-13 of his direct testimony in this proceeding, Mr. Rush
21 recommends to the Commission the "alternative" course of action of issuing an AAO
22 regarding any costs the Commission determines should be refunded to customers in this
23 proceeding, in the event the Commission believes such a refund should ensue.

1 Q. What is an accounting authority order?

2 A. An AAO is a mechanism the Commission uses to allow a utility to use a
3 different accounting treatment for certain costs than it would otherwise be required to use
4 under the Commission's rules (i.e., the Uniform Systems of Accounts). Usually, AAOs are
5 requested by utilities to seek authorization to record certain "extraordinary" costs as a
6 regulatory asset on their balance sheet, as opposed to charging the costs to expense when they
7 are incurred. The ability of utilities to book these "extraordinary" costs as regulatory assets
8 (also commonly referred to as "deferring" these costs) allows a utility the opportunity to seek
9 recovery of the deferred costs in a rate proceeding based on a period that does not include the
10 time when the utility actually incurs the costs.

11 Q. What does Staff understand the purpose of GMO's request for an AAO as
12 stated in Mr. Rush's direct testimony to be?

13 A. Staff understands that GMO is seeking authority from the Commission to book
14 as a regulatory asset all refunds this Commission determines to be necessary in this case,
15 whether those refunds are ordered by this Commission or a court, and thereby provide GMO
16 the ability to seek re-recovery of the refunded amounts from its customers in one or more
17 subsequent rate proceedings.

18 Q. To your knowledge, has the Commission ever issued an AAO to permit a
19 utility to have the opportunity to later recover amounts it determines should be returned to the
20 utility's customers as GMO suggests?

21 A. No.

22 Q. Is it appropriate to allow a utility an opportunity to seek subsequent recovery
23 of costs the Commission has previously found should be refunded?

1 A. No.

2 Q. Does Staff provide its recommendation concerning how to best apply a credit
3 to customers' bills should the Commission order a refund in this proceeding?

4 A. Yes. Staff witness John A. Rogers describes Staff's recommended mechanism
5 for a refund or adjustment in his direct testimony at page 5, lines 7-13, as follows:

6 "...the amount of the credit be included along with ninety-five (95%) of the over- or under-
7 collection amount as a result of the FAC adjustment filing in the calculation of the current
8 period CAFs for an upcoming recovery period."

9 Q. Does this conclude your rebuttal testimony?

10 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company (f/k/a Aquila, Inc.) for) File No. EO-2008-0216
Authority to Implement Rate Adjustments)
Required by 4 CSR 240-20.090(4) and the)
Company's Approved Fuel and Purchased)
Power Cost Recovery Mechanism)

AFFIDAVIT OF MARK L. OLIGSCHLAEGER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Mark L. Oligschlaeger, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

Mark L. Oligschlaeger
Mark L. Oligschlaeger

Subscribed and sworn to before me this 22nd day of April, 2011.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071

D. Suzie Mankin
Notary Public

**CASE PARTICIPATION OF
MARK L. OLIGSCHLAEGER**

Company Name	Case Number	Issues	
Western Resources	GR-90-40 and GR-91-149	Take-Or-Pay Costs	
Missouri-American Water Company	WR-91-211	True-up; Known and Measurable	
Missouri Public Service	EO-91-358 and EO-91-360	AAO	
Generic Telephone	TO-92-306	Revenue Neutrality; Accounting Classification	
Generic Electric	EO-93-218	Preapproval	
Western Resources & Southern Union Company	GM-94-40	Regulatory Asset Transfer	
St. Louis County Water	WR-95-145	Policy	
Union Electric Company	EM-96-149	Merger Savings; Transmission Policy	
St. Louis County Water	WR-96-263	Future Plant	
Missouri Gas Energy	GR-96-285	Riders; Savings Sharing	
The Empire District Electric Company	ER-97-82	Policy	
Missouri Public Service	ER-97-394	Stranded/Transition Costs; Regulatory Asset Amortization; Performance Based Regulation	
Western Resources & Kansas City Power & Light	EM-97-515	Regulatory Plan; Ratemaking Recommendations; Stranded Costs	
United Water Missouri	WA-98-187	FAS 106 Deferrals	
Laclede Gas Company	GR-99-315 (remand)	Depreciation and Cost of Removal	
Missouri-American Water	WM-2000-222	Conditions	
UtiliCorp United & St. Joseph Light & Power	EM-2000-292	Staff Overall Recommendations	
UtiliCorp United & The Empire District Electric Company	EM-2000-369	Overall Recommendations	
Green Hills Telephone	TT-2001-115	Policy	
IAMO Telephone Company	TT-2001-116	Policy	

**CASE PARTICIPATION OF
MARK L. OLIGSCHLAEGER**

Company Name	Case Number	Issues
Ozark Telephone Company	TT-2001-117	Policy
Peace Valley Telephone	TT-2001-118	Policy
Holway Telephone Company	TT-2001-119	Policy
KLM Telephone Company	TT-2001-120	Policy
Missouri Gas Energy	GR-2001-292	SLRP Deferrals; Y2K Deferrals; Deferred Taxes; SLRP and Y2K CSE/GSIP
The Empire District Electric Company	ER-2001-299	Prudence/State Line Construction/Capital Costs
Ozark Telephone Company	TC-2001-402	Interim Rate Refund
Gateway Pipeline Company	GM-2001-585	Financial Statements
Missouri Public Service	ER-2001-672	Purchased Power Agreement; Merger Savings/Acquisition Adjustment
Union Electric Company	EC-2002-1	Merger Savings; Criticisms of Staff's Case; Injuries and Damages; Uncollectibles
Laclede Gas Company	GA-2002-429	AAO Request
Aquila, Inc., d/b/a Aquila Networks-MPS-Electric and Aquila Networks-L&P-Electric and Steam	ER-2004-0034 and HR-2004-0024 (Consolidated)	Aries Purchased Power Agreement; Merger Savings
Missouri Gas Energy	GR-2004-0209	Revenue Requirement Differences; Corporate Cost Allocation Study; Policy; Load Attrition; Capital Structure
Empire District Electric	ER-2006-0315	Fuel/Purchased Power; Regulatory Plan Amortizations; Return on Equity; True-Up
Missouri Gas Energy	GR-2006-0422	Unrecovered Cost of Service Adjustment; Policy
Laclede Gas Company	GR-2007-0208	Case Overview; Depreciation Expense/Depreciation Reserve; Affiliated Transactions; Regulatory Compact

**CASE PARTICIPATION OF
MARK L. OLIGSCHLAEGER**

Company Name	Case Number	Issues
Missouri Gas Utility	GR-2008-0060	Report on Cost of Service; Overview of Staff's Filing
The Empire District Electric Company	ER-2008-0093	Case Overview; Regulatory Plan Amortizations; Asbury SCR; Commission Rules Tracker; Fuel Adjustment Clause; ROE and Risk; Depreciation; True-up; Gas Contract Unwinding
Missouri Gas Energy, a Division of Southern Union	GR-2009-0355	Staff Report Cost of Service; Direct Report on Cost of Service; Overview of the Staff's Filing; Rebuttal Kansas Property Taxes/AAO; Bad Debts/Tracker; FAS 106/OPEBs; Policy; Surrebuttal Environmental Expense, FAS 106/OPEBs
The Empire District Electric Company, The-Investor (Electric)	ER-2010-0130	Staff Report Cost of Service; Direct Report on Cost of Service; Overview of the Staff's Filing; Regulatory Plan Amortizations; Surrebuttal Regulatory Plan Amortizations
The Empire District Electric Company	ER-2011-0004	Staff Report on Cost of Service; Direct Report on Cost of Service; Overview of the Staff's Filing

Cases prior to 1990 include:

Kansas City Power and Light Company	ER-82-66
Kansas City Power and Light Company	HR-82-67
Southwestern Bell Telephone Company	TR-82-199
Missouri Public Service Company	ER-83-40
Kansas City Power and Light Company	ER-83-49
Southwestern Bell Telephone Company	TR-83-253
Kansas City Power and Light Company	EO-84-4
Kansas City Power and Light Company	ER-85-128 & EO-85-185
KPL Gas Service Company	GR-86-76
Kansas City Power and Light Company	HO-86-139
Southwestern Bell Telephone Company	TC-89-14