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Witness: Greg R. Meyer
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Sponsoring Party: Missouri Energy Consumers Group
Case No.: EC-2019-0200
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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

**The Office of the Public Counsel and
the Midwest Energy Consumers Group,**

Complainants,

v.

**KCP&L Greater Missouri Operations
Company,**

Respondent.

Case No. EC-2019-0200

Direct Testimony of

Greg R. Meyer

On behalf of

Midwest Energy Consumers Group

April 23, 2019



MECG Exhibit No. 1
Date 8/7/19 Reporter TM
File No. EC-2019-0200

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Case No. EC-2019-0200

STATE OF MISSOURI

COUNTY OF ST. LOUIS

SS

Affidavit of Greg R. Meyer

Greg R. Meyer, being first duly sworn, on his oath states:

1. My name is Greg R. Meyer. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by Midwest Energy Consumers Group in this proceeding on their behalf.

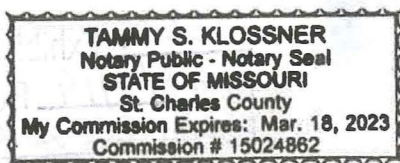
2. Attached hereto and made a part hereof for all purposes is my direct testimony which was prepared in written form for introduction into evidence in the Missouri Public Service Commission, Case No. EC-2019-0200.

3. I hereby swear and affirm that the testimony is true and correct and that it shows the matters and things that it purports to show.



Greg R. Meyer

Subscribed and sworn to before me this 23rd day of April, 2019.





Notary Public

**The Office of the Public Counsel and
the Midwest Energy Consumers Group,**

V.

Respondent.

Direct Testimony of Greg R. Meyer

2 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, MO 63017.

5 A I am a consultant in the field of public utility regulation and a Principal of Brubaker &
6 Associates, Inc., energy, economic and regulatory consultants.

8 A This information is included in Appendix A to my testimony.

10 A I am appearing on behalf of Midwest Energy Consumers Group (“MECG”).

BRUBAKER & ASSOCIATES, INC.

1 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A My testimony will describe the reasons why the Missouri Public Service Commission
3 ("Commission") should grant an Accounting Authority Order ("AAO") creating a
4 regulatory liability to capture the capital and operating costs currently included in
5 KCP&L Greater Missouri Operations Company's ("KCPL-GMO") rates following the
6 retirement of the Sibley generating units. My testimony supports the fact that current
7 KCPL-GMO retail rates contain significant levels of costs to operate these units. I will
8 also discuss why granting an AAO for these costs is appropriate and meets previous
9 Commission standards.

10 **Q WHAT WAS MECG'S GOAL UNDERLYING ITS REQUEST FOR AN AAO**
11 **ASSOCIATED WITH THE RETIREMENT OF THE SIBLEY UNITS?**

12 A As will be discussed in more detail later, KCPL-GMO retired the Sibley units while the
13 financial books still showed a significant amount of investment remaining to be
14 recovered. MECG believes that KCPL-GMO will ultimately seek, either directly or
15 indirectly, to recover this undepreciated Sibley investment from ratepayers along with
16 a return on this investment.

17 MECG believes that instead of treating one piece of the pie (the
18 undepreciated investment), the Commission should be in a position to address the
19 ratemaking treatment for all aspects of the Sibley retirement decision. Specifically, by
20 deferring the savings associated with the retirement of Sibley until a future rate case,
21 the Commission may consider both the cost side of the equation (the undepreciated
22 investment) as well as the savings side of the equation (the return, O&M and other
23 cost savings). It would be fundamentally inequitable for the Commission to allow
24 KCPL-GMO to game the system such that it is allowed to keep all savings and then

Greg R. Meyer
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1 also seek to recover the entirety of the undepreciated investment. MEGC is simply
2 trying to preserve, without any ratemaking findings, all aspects of the Sibley
3 retirement so comprehensive decisions can be made in the next KCPL-GMO rate
4 case.

5 **I. SIBLEY BACKGROUND**

6 **Q PLEASE DESCRIBE THE SIBLEY UNITS.**

7 **A** As indicated by the response to MEGC Data Request 1.31, the Sibley generating
8 units were initially constructed by Missouri Public Service Company ("MPS").
9 Sibley 1, completed in June 1960, had a capacity of 48 MWs. Sibley 2, completed in
10 May 1962, had a capacity of 51 MWs. Sibley 3, built in June 1969, had a capacity of
11 364 MWs.

12 In 1991, MPS completed a major renovation of the Sibley units to extend the
13 life of the units and to allow the units to burn low sulfur western coal. As will be
14 discussed in greater detail, MPS sought, and the Commission authorized, an AAO to
15 defer the depreciation and the capital costs associated with this renovation project.
16 Specifically, the Commission found "that [the Sibley projects] were extraordinary
17 events and that depreciation expenses and carrying costs could be deferred to MPS's
18 next rate case."¹

¹*Report and Order*, Case No. EO-91-358, 1 Mo.PSC 3d 200, 211 (issued December 20, 1991).

1 **Q DO KCPL-GMO'S CURRENT RATES INCLUDE COSTS ASSOCIATED WITH THE**
2 **SIBLEY UNITS?**

3 A Yes. KCPL-GMO recently completed a rate case with rates becoming effective on
4 December 6, 2018. Rates in that case were based on revenues, costs and
5 investments as of a true-up date of June 30, 2018. KCPL-GMO formally retired the
6 Sibley units in November 2018. Therefore, since the units were formally retired after
7 the true-up date, KCPL-GMO's current rates include costs, revenues and investment
8 associated with the Sibley units.

9 **II. ACCOUNTING AUTHORITY ORDERS**

10 **Q WHAT IS AN AAO?**

11 A An AAO is a mechanism which, through the establishment of a regulatory asset or
12 liability, defers costs or revenues from one period of time into a subsequent period of
13 time. Historically, AAO's have been used to recover costs associated with
14 "extraordinary" events such as severe storms which have struck the service territories
15 of Missouri utilities. Utilities in those circumstances argue that an AAO is necessary
16 in order to allow for the recovery of those costs in a future period. By deferring such
17 costs, the utility is not required to absorb those expenses currently without rate
18 recognition. An AAO in that instance is beneficial for the utility as it allows the utility
19 to defer cost recovery of the extraordinary storm costs until such time as those costs
20 can be built into retail rates. Given this, current earnings are inflated (because costs
21 are not recognized in that time period) and future rates are increased (if the deferred
22 costs are recovered). In summary, an AAO allows for deferral of the impacts for
23 financial purposes of an extraordinary event to a later point in time when the financial
24 impacts can be considered for inclusion in customer rates.

1 **Q IF THE COMMISSION GRANTS AN AAO IN THIS PROCEEDING, HAS IT MADE A**
2 **FINDING FOR RATEMAKING PURPOSES?**

3 A No. The Commission has historically emphasized that any decision regarding the
4 granting of an AAO does not carry any ratemaking implications. Those decisions are
5 held until the next utility rate case. In this instance, the granting of an AAO in this
6 case would continue until KCPL-GMO's rates are reviewed in their entirety.

7 **Q HOW WOULD AN AAO WORK IN THIS SITUATION?**

8 A As I described previously, an AAO would allow for a deferral of costs incurred in
9 response to an extraordinary event for potential recovery in a subsequent rate case.
10 As such, in the previous example of a severe storm, the AAO works to the benefit of
11 the utility shareholders by increasing current profits as well as future rates.

12 An AAO in this situation would work opposite of the situation previously
13 described. Specifically, it would work to the benefit of ratepayers by deferring savings
14 resulting from an extraordinary event. In this instance, while KCPL-GMO is no longer
15 incurring these now fictional costs, the KCPL-GMO retail customers nevertheless
16 continue to pay rates which include the costs for the retired Sibley units that are no
17 longer providing utility service. Therefore, the requested AAO seeks to capture the
18 cost savings and defer them in a regulatory liability for consideration in a future rate
19 case.

20 **Q WHY DID YOU TITLE THOSE COSTS AS FICTIONAL?**

21 A Because at present they do not exist. When KCPL-GMO retired the Sibley units on
22 its accounting books in November 2018, the costs to operate those units ceased.
23 However, since the retirement occurred after the true-up date in the last case, those

1 costs are still part of KCPL-GMO's cost of service, and thus were components of the
2 rates charged to KCPL-GMO customers. Therefore, the rates charged to KCPL-GMO
3 customers today contain costs which are not being incurred, or fictional costs. The
4 MECG is merely requesting that the Commission require KCPL-GMO to identify these
5 fictional costs and record them in a regulatory liability for possible treatment in a later
6 case.

7 **III. STANDARD FOR AN AAO**

8 **Q WHAT STANDARD HAS THE COMMISSION HISTORICALLY RELIED UPON IN**
9 **CONSIDERING A REQUEST FOR AN AAO?**

10 **A** In the past, the Commission has reviewed whether the event that caused the cost is
11 extraordinary. If the Commission deemed that the situation was a normal operating
12 condition of the utility, the request for an AAO was denied.² In establishing the
13 extraordinary standard, the Commission relied on guidance from the Federal Energy
14 Regulatory Commission's ("FERC") Uniform System of Accounts ("USoA").

15 **Q PLEASE DESCRIBE THE GUIDANCE OF THE UNIFORM SYSTEM OF**
16 **ACCOUNTS ON THIS MATTER.**

17 **A** The USoA provides basic account descriptions, instructions and accounting
18 definitions that guide information reported in the utility's annual reports. The USoA
19 has been adopted by the Missouri Commission for use by Missouri regulated electric
20 utilities at 4 CSR 240-20.030. The USoA seeks to ensure that all electric utilities are

²For instance, the Commission has denied a MAWC's request to defer through an Accounting Authority Order its increased property taxes. In addition, the Commission has recently denied a Spire request to defer an increase in its regulatory assessment. Finally, the Commission has denied KCPL's request to defer changes in transmission costs, property taxes and cyber-security costs. Each request was denied on the basis that the event was not extraordinary, but an everyday cost for the utility.

1 recording their financial information in a consistent manner for reporting and
2 comparison purposes. In general, the USoA provides that a utility must book all
3 current financial items in the current period. That said, however, USoA Instruction 7
4 allows for the deferral of certain costs / revenues associated with extraordinary items.
5 Instruction 7 defines Extraordinary Items as the following:

6 *7. Extraordinary Items.*

7 It is the intent that net income shall reflect all items of profit and loss
8 during the period with the expectation of prior period adjustments as
9 described in paragraph 7.1 and long-term debt as described in
10 paragraph 17 below. Those items related to the effects of events and
11 transactions which have occurred during the current period and which
12 are of unusual nature and infrequent occurrence shall be considered
13 extraordinary items. Accordingly, they will be events and transactions
14 of significant effect which are abnormal and significantly different from
15 the ordinary and typical activities of the company, and which would not
16 reasonably be expected to recur in the foreseeable future. (In
17 determining significance, items should be considered individually and
18 not in the aggregate. However, the effects of a series of related
19 transactions arising from a single specific and identifiable event or plan
20 of action should be considered in the aggregate. To be considered as
21 extraordinary under the above guidelines, an item should be more than
22 approximately 5 percent of income, computed before extraordinary
23 items. Commission approval must be obtained to treat an item of less
24 than 5 percent, as extraordinary. (See Accounts 434 and 435.)

25 **Q HAS THE COMMISSION GENERALLY UTILIZED THE GUIDANCE CONTAINED IN**
26 **INSTRUCTION 7?**

27 **A** Yes. For instance, in considering the Missouri American Water Company's ("MAWC")
28 request for an AAO related to an increase in property taxes, the Commission stated
29 "[t]he issue is whether the increase in MAWC's property taxes to the Counties for
30 2017 and the beginning of 2018 resulted from an event that would be considered
31 "unusual" or "extraordinary" under NARUC USOA. . . . There is nothing unusual or

1 extraordinary about paying property taxes to warrant an AAO. It is a recurring
2 expense.”³

IV. RETIREMENT OF SIBLEY UNITS IS EXTRAORDINARY

3 **Q WHAT COST / SAVINGS ARE MECG SEEKING TO DEFER THROUGH AN**
4 **ACCOUNTING AUTHORITY ORDER?**

5 **A** MECG is seeking an AAO for the operating and capital costs that are currently built
6 into KCPL-GMO’s customer rates but are not being incurred as a result of the
7 retirement of the Sibley generating units. As I will demonstrate, the issuance of an
8 AAO and deferral of these cost savings is appropriate in that the retirement of a
9 generating plant is not a normal on-going operation of a utility, and therefore qualifies
10 as an extraordinary event.

11 **Q WHY SHOULD THE RETIREMENT OF A GENERATING UNIT BE CONSIDERED**
12 **AN EXTRAORDINARY EVENT?**

13 **A** Generally an extraordinary event is one which is not recurring or regular. Webster
14 defines extraordinary as follows:

- 15 • going beyond what is usual, regular or customary
- 16 • of a financial transaction; non-recurring

17 Another definition offered the following:

- 18 • an item in a company’s accounts not arising from its normal activities

³Report and Order, Case No. WU-2017-0351, issued December 20, 2017, at page 15.

1 The Commission has applied a similar definition. For instance, in considering
2 KCPL's request to defer transmission costs, the Commission considered whether the
3 event was "ordinary and typical, not abnormal and significantly different."⁴

4 The retirement of a generating unit is the last phase of a generating unit's
5 useful life. The generating unit proceeds from initial construction to an extended
6 operating life (approaching in this case, 50 plus years), and then final retirement of
7 the unit.

8 The retirement of the generating unit is extraordinary in that the retirement
9 occurs for that particular generator only once, and occurs many years after
10 commercial operation. These retirement activities must be considered extraordinary
11 given their limited occurrence. Furthermore, plant retirements cannot be argued to be
12 recurring as they only occur once during a generator's useful life. Indeed, in
13 response to MEGC Data Request 1.33, KCPL-GMO confirmed that the Sibley units
14 have each only been retired once. For all these reasons, the retirement of Sibley is
15 "abnormal and significantly different" than the ordinary events undertaken by
16 KCPL-GMO.

17 **Q DO YOU HAVE ANY HISTORY OF KCPL-GMO'S GENERATOR RETIREMENT**
18 **HISTORY?**

19 **A Yes. MEGC asked KCPL-GMO for its generation unit retirement history. In response**
20 **to MEGC Data Request No. 1.34, KCPL-GMO responded that no generating units**
21 **have been retired within the last 30 years. KCPL-GMO goes on to say that Edmond**
22 **Street was retired around 1987 and Ralph Green Units 1 and 2 were retired in**
23 **November 1982.**

⁴*Report and Order*, Case No. ER-2014-0370, issued September 2, 2015, page 53.

1 As one can see from the above response, retirement of generating units is not
2 an “ordinary and typical” event for KCPL-GMO.

3 **Q HOW LONG DID EACH SIBLEY UNIT OPERATE?**

4 A Table 1 below shows the in-service dates and the retirement dates for the Sibley
5 units. This table also shows how long each unit operated.

TABLE 1			
<u>In-Service and Retirement Dates for the Sibley Units</u>			
<u>Unit</u>	<u>In-Service Date</u>	<u>Retirement Date*</u>	<u>Unit Age at Retirement</u>
Sibley 1	June 1960	November 2018	58.4 yrs.
Sibley 2	May 1962	November 2018	56.5 yrs.
Sibley 3	June 1969	November 2018	49.4 yrs.

*Retirement Date – occurred on the accounting books.
Source: Response to MCEG Data Requests 1-19 and 1-31.

6 **Q HAVE PREVIOUS AAOs PROVIDED GUIDANCE AS TO WHETHER THE**
7 **RETIREMENT OF THE SIBLEY UNITS IS EXTRAORDINARY?**

8 A Yes, the Commission has previously granted AAOs to defer costs at other points
9 along a generating unit’s operating life. For instance, the Commission has allowed
10 for continuation of construction accounting when a generating unit was initially
11 completed and placed into service, but before the investment could be built into

1 rates.⁵ Effectively, by granting the continued use of construction accounting even
2 though the generating unit was in service, the Commission provided for the deferral of
3 depreciation and carrying costs into the next rate case.

4 The Commission's willingness to defer costs associated with a generating
5 unit investment is not limited solely to the initial construction of a unit. Rather, the
6 Commission has repeatedly deferred costs associated with the renovation of a unit as
7 well. For instance, in Case Nos. EO-90-114 and EO-91-358, the Commission
8 allowed for the deferral of depreciation and carrying costs associated with the
9 renovation of the Sibley units.

10 Still again, the Commission allowed for the deferral of carrying costs and
11 depreciation associated with generating unit renovation by KCPL and Ameren.
12 Specifically, KCPL was permitted to defer these costs associated with environmental
13 improvements for its LaCygne generator in Case No. EU-2014-0255. In addition,
14 Ameren Missouri was permitted to defer these same costs associated with
15 environmental improvements for its Sioux generator in Case No. ER-2010-0036.

16 **Q DO YOU BELIEVE THAT THE COMMISSION'S PREVIOUS WILLINGNESS TO**
17 **DEFER COSTS ASSOCIATED WITH THE CONSTRUCTION AND RENOVATION**
18 **OF GENERATING UNITS HELPS TO ESTABLISH THE EXTRAORDINARY**
19 **NATURE OF THE RETIREMENT OF THE SIBLEY UNITS?**

20 **A** Yes. As indicated, the Commission has repeatedly applied an extraordinary standard
21 to requests to defer costs rather than requiring the utility to book those costs in the

⁵See, Case No. EO-2005-0329. As defined in the Stipulation in that docket, "the Signatory Parties agree that KCPL should be allowed to treat the Iatan 2 project under "Construction Accounting" to the effective date of new rates in the 2009 Rate Case. Construction Accounting will be the same treatment for expenditures and credits consistent with the treatment for Iatan 2 prior to Iatan 2's commercial in service operation date."

1 current period. It seems illogical for the Commission to find that the construction of a
2 generating unit is extraordinary and the renovation of a generating unit is
3 extraordinary, but the retirement of the unit is not extraordinary. The Commission has
4 repeatedly found such activities to be extraordinary in order to protect stockholders.
5 It would fundamentally be unfair for the Commission to defer costs in order to protect
6 utility shareholders when a unit is constructed or renovated, but then deny deferral
7 accounting when it comes time to protect ratepayers when the unit is retired.

8 **V. SIBLEY UNDEPRECIATED INVESTMENT**

9 **Q DO YOU BELIEVE THAT KCPL-GMO WILL EVENTUALLY SEEK TO RECOVER**
10 **THE UNDEPRECIATED VALUE FROM THE SIBLEY UNITS?**

11 **A** Definitely yes. There are multiple ways that KCPL-GMO may seek to recover the
12 undepreciated investment in the Sibley units. For instance, KCPL-GMO may seek to
13 indirectly recover this undepreciated investment by simultaneously reducing the plant
14 in service accounts and the accumulated depreciation reserve accounts by the
15 original cost of the Sibley units. In this way, KCPL-GMO ratepayers will end up
16 paying for the undepreciated Sibley investment by paying for depreciation on other
17 plant accounts for a longer period of time. Alternatively, KCPL-GMO may seek to
18 recover the undepreciated investment in a more direct fashion by booking a
19 regulatory asset for the undepreciated investment and asking for Commission
20 approval at some future point in time. Whatever the mechanism, I believe that
21 KCPL-GMO will eventually seek to recover the undepreciated investment remaining
22 on the Sibley units. In MEGG Data Requests 1.39 and 1.41, MEGG asked
23 KCPL-GMO whether it would attempt to recover the undepreciated investment.

1 KCPL-GMO was not forthcoming with its response arguing that the future action was
2 "speculative."

3 **Q DO YOU HAVE ANY QUANTIFICATION OF THE UNDEPRECIATED VALUE FROM**
4 **RETIREMENT OF THE SIBLEY UNITS?**

5 **A** Yes. Based on Staff's True-Up Accounting Schedules in KCPL-GMO's last rate case,
6 Case No. ER-2018-0146, I calculated the undepreciated investment for the Sibley
7 units as approximately \$300 million. I believe that KCPL-GMO will eventually seek to
8 recover from its ratepayers both the return of and the return on this undepreciated
9 investment.

10 **VI. MATERIALITY**

11 **Q HAS THE COMMISSION APPLIED A MATERIALITY STANDARD TO PREVIOUS**
12 **AAO REQUESTS?**

13 **A** Occasionally the Commission has applied a materiality standard to AAO requests in
14 the past. For instance, in the 1991 case involving the renovation and life extension of
15 the Sibley units, the Commission indicated that materiality is "relevant," but not
16 "case-dispositive."

17 The issue of whether the event has a material or substantial effect on a
18 utility's earnings is also important, but not a primary concern. The
19 company, under the USOA, is required to seek Commission approval if
20 the costs to be deferred are less than five percent of the company's
21 income computed before the extraordinary event. This five percent
22 standard is thus relevant to materiality and whether the event is
23 extraordinary but is not case-dispositive.

1 Q WHAT MATERIALITY STANDARD HAS THE COMMISSION APPLIED IN THE
2 PAST?

3 A In those situations in which it has applied a materiality standard, the Commission has
4 generally applied 5% of utility net income.

5 Q WHAT IS KCPL-GMO'S NET INCOME?

6 A Based upon the Staff True-Up Accounting Schedules from KCPL-GMO's most
7 recently completed rate case, KCPL-GMO's net income is approximately \$108.4
8 million.

9 Q DOES THE COST SAVINGS ASSOCIATED WITH THE RETIREMENT OF THE
10 SIBLEY UNITS EXCEED 5% OF KCPL-GMO'S NET INCOME?

11 A Yes. Summing the depreciation expense and rate of return on the Sibley units totals
12 approximately \$29.7 million, which is significantly greater than 5% of the reported net
13 income ($\$108.4 * 5\% = \5.4 million).⁶ Using just these two cost components, the
14 impact of the requested deferral is in excess of the 5% materiality standard. It is
15 important to recognize that MECG is asking that the Commission order a deferral of
16 all cost savings associated with the retirement of the Sibley units, and not a deferral
17 of a specific dollar amount. Thus, there will be other cost components, not included
18 in my materiality calculation, which should be deferred. For instance, I have not
19 included property taxes, O&M costs, and other rate base components. All of those
20 cost savings should be deferred for consideration in the next KCPL-GMO rate case.

⁶Depreciation Expense - \$10,362,079 - Staff True-Up Accounting Schedule 5.
Net Income Effect = $\$10,362,079 * 25.45\%$ (effective tax rate) = \$7,724,930.
Rate of Return - \$300 million (undepreciated value) * 7.332% (Staff True-Up Capital
Structure Schedule 12) = \$21,996,000.

1 My calculation is very conservative and only for purposes of showing that the
2 deferred amount will exceed the Commission's historical materiality standard.

3 **Q WHAT WAS THE SOURCE OF YOUR CALCULATIONS?**

4 A My calculations are based upon information provided in response to MEEG data
5 requests, as well as Staff and KCPL-GMO information provided in the last
6 KCPL-GMO rate case.

7 **Q PLEASE SUMMARIZE YOUR POSITION.**

8 A I recommend that the Commission should order an AAO for purposes of capturing the
9 capital, depreciation and operating and maintenance costs included in the retail
10 customer rates of KCPL-GMO. These costs should be recorded in a regulatory
11 liability for future Commission consideration regarding the ratemaking treatment for
12 the retirement of the Sibley units. I have demonstrated that the requested AAO
13 results from an extraordinary event, namely the retirement of the Sibley units.

14 In order to protect retail customers from excessive retirement costs, a
15 Commission order for an AAO will assure only reasonable retirement costs for Sibley
16 Units will be collected from ratepayers.

17 **Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 A Yes, it does.

Qualifications of Greg R. Meyer

2 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A Greg R. Meyer. My business address is 16690 Swingley Ridge Road, Suite 140,
4 Chesterfield, MO 63017.

5 **Q PLEASE STATE YOUR OCCUPATION.**

6 A I am a consultant in the field of public utility regulation and a Principal with the firm of
7 Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

8 **Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
9 **EXPERIENCE.**

10 A I graduated from the University of Missouri in 1979 with a Bachelor of Science Degree
11 in Business Administration, with a major in Accounting. Subsequent to graduation I
12 was employed by the Missouri Public Service Commission. I was employed with the
13 Commission from July 1, 1979 until May 31, 2008.

14 I began my employment at the Missouri Public Service Commission as a
15 Junior Auditor. During my employment at the Commission, I was promoted to higher
16 auditing classifications. My final position at the Commission was an Auditor V, which I
17 held for approximately ten years.

18 As an Auditor V, I conducted audits and examinations of the accounts, books,
19 records and reports of jurisdictional utilities. I also aided in the planning of audits and
20 investigations, including staffing decisions, and in the development of staff positions in
21 which the Auditing Department was assigned. I served as Lead Auditor and/or Case
22 Supervisor as assigned. I assisted in the technical training of other auditors, which
23 included the preparation of auditors' workpapers, oral and written testimony.

1 During my career at the Missouri Public Service Commission, I presented
2 testimony in numerous electric, gas, telephone and water and sewer rate cases. In
3 addition, I was involved in cases regarding service territory transfers. In the context of
4 those cases listed above, I presented testimony on all conventional ratemaking
5 principles related to a utility's revenue requirement. During the last three years of my
6 employment with the Commission, I was involved in developing transmission policy
7 for the Southwest Power Pool as a member of the Cost Allocation Working Group.

8 In June of 2008, I joined the firm of Brubaker & Associates, Inc. as a
9 Consultant. Since joining the firm, I have presented testimony and/or testified in the
10 state jurisdictions of Florida, Idaho, Illinois, Indiana, Maryland, Missouri and
11 Washington. I have also appeared and presented testimony in Alberta and Nova
12 Scotia, Canada. These cases involved addressing conventional ratemaking
13 principles focusing on the utility's revenue requirement. The firm Brubaker &
14 Associates, Inc. provides consulting services in the field of energy procurement and
15 public utility regulation to many clients including industrial and institutional customers,
16 some utilities and, on occasion, state regulatory agencies.

17 More specifically, we provide analysis of energy procurement options based
18 on consideration of prices and reliability as related to the needs of the client; prepare
19 rate, feasibility, economic, and cost of service studies relating to energy and utility
20 services; prepare depreciation and feasibility studies relating to utility service; assist
21 in contract negotiations for utility services, and provide technical support to legislative
22 activities.

23 In addition to our main office in St. Louis, the firm has branch offices in
24 Phoenix, Arizona and Corpus Christi, Texas.