

Exhibit No.:
Issue: Management Expense
Witness: Reports
Type of Exhibit: Steven P. Busser
Sponsoring Party: Surrebuttal Testimony
Kansas City Power &
Light Company,
KCP&L Greater
Missouri Operations
Case Nos.: Company
ER-2018-0145 and ER-
Date Testimony Prepared: 2018-0146
September 4, 2018

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: ER-2018-0145 and ER-2018-0146

SURREBUTTAL TESTIMONY

OF

STEVEN P. BUSSER

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY, and
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

September 2018

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STEVEN P. BUSSER

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1

I. INTRODUCTION

2 **Q: Please state your name and business address.**

3 A: My name is Steven P. Busser. My business address is 1200 Main Street, Kansas City,
4 MO 64105.

5 **Q: By whom and in what capacity are you employed?**

6 A: I am employed by Kansas City Power & Light Company (“KCP&L”) and serve as Vice
7 President-Risk Management and Controller for Evergy, Inc., KCP&L and KCP&L
8 Greater Missouri Operations Company (“GMO”).

9 **Q: What are your responsibilities?**

10 A: I have executive responsibility for corporate accounting, energy accounting, Securities
11 and Exchange Commission (“SEC”) reporting, income taxes, accounting systems, and
12 risk management.

13 In addition to my responsibilities as Vice President – Risk Management and
14 Controller, I previously served as an integration leader for the combination of Westar
15 Energy, Inc. (“Westar”) and Great Plains Energy.

1 **Q: Please summarize your education, experience and employment history.**

2 A: I graduated cum laude from the University of Texas at El Paso (“UTEP”) with a Bachelor
3 of Business Administration, with a concentration in Accounting. I have also taken several
4 graduate level classes with a focus in finance and am a Certified Public Accountant.

5 I have over 20 years in accounting and finance positions in the electric utility
6 industry. Prior to joining KCP&L in September 2014, I was Vice President and
7 Treasurer of El Paso Electric Company (“El Paso Electric”) and was responsible for the
8 treasury, risk management, facility services, fleet management and supply chain
9 management functions. In this role, I testified before the Federal Energy Regulatory
10 Commission and state regulatory agencies in Texas and New Mexico regarding El Paso
11 Electric’s public and private financing activities and other securities transactions. Prior to
12 becoming Vice President and Treasurer, I served in positions of increasing responsibility
13 at El Paso Electric including Chief Risk Officer, Vice President Regulatory Affairs, and
14 Assistant Chief Financial Officer.

15 I started my professional career in public accounting at KPMG LLP after
16 graduating from UTEP. I also took several graduate courses at UTEP in Finance while
17 working at El Paso Electric.

18 **Q: Have you previously testified before the Missouri Public Service Commission**
19 **(“Commission”)?**

20 A: Yes.

1 **Q: On whose behalf are you testifying?**

2 A: I am testifying on behalf of KCP&L and GMO in this proceeding (collectively, the
3 “Company”).

4 **Q: What is the purpose of your testimony in this proceeding?**

5 A: I will respond to some of the issues regarding management expense reports raised in the
6 rebuttal testimony of the Office of the Public Counsel (“OPC”) witness Amanda Conner.

7 **Q: Ms. Conner adjusted the Company’s management expenses to remove what she**
8 **alleges to be inappropriate and excessive charges on management employee expense**
9 **reports. How do you respond?**

10 A: The Commission should reject OPC witness Conner’s adjustment to reduce management
11 expense report charges because her allegations are unfounded. Company witness Ronald
12 Klote addresses the details of OPC witness Conner’s proposed adjustment and I will
13 explain the Company’s policy for reimbursing employee expenses.

14 The Company’s existing reimbursement policy protects customers from inappropriate
15 and excessive charges because it requires a business purpose for employee expenses to be
16 reimbursable. Per policy KCP&L E-201, Reimbursement of Employee-Incurred
17 Business Expenses, Employees will be reimbursed for all reasonable, legitimate, and
18 properly documented business expenses. For example, the Company will reimburse
19 certain amounts for cell phone plans since the ability to communicate by phone when
20 away from the office is a legitimate business expense for an employee. Furthermore,
21 under the heading Valid Business Expenses contained within that policy, entertainment
22 expenses will be deemed reimbursable if they are “Food, beverages and entertainment for
23 employees and non-employee business guests where the business purposes of the

1 Company can be advanced immediately before, during or after the occasion.” In terms of
2 reimbursement for meals for travel out of town, such expenses will be reimbursed if they
3 are “Meals for employee and non-employee business guests where the business purposes
4 of the Company can be advanced immediately before, during or after the meals.” The
5 policy indicates that the following employee expenses for meals will not be reimbursed:

- 6 ▪ Excess over reasonable cost.
- 7 ▪ Employees may not make expenditures prohibited by statute or regulations
8 for food, beverages, or entertainment to personnel of state or federal
9 revenue agencies or regulatory bodies having jurisdiction over Company
10 services and rates.
- 11 ▪ Alcoholic beverages consumed in violation of the Code of Ethical
12 Business Conduct.

13 Based on my professional opinion, this policy appropriately protects the interests
14 of the Company and its customers against inappropriate and excessive employee expense
15 reports as within the policy it states, “Failure to comply with Company Policies and
16 Procedures, including failure to report the noncompliance of others where required, may
17 subject an individual employee to disciplinary action, including termination.”

18 **Q: Are there any other reasons why the Company’s employee meal expense policy is**
19 **reasonable and appropriate?**

20 A: Yes. The meal expense policy in place for the Company is customary in the industry. It
21 is similar to the employee meal expense policy that was used by El Paso Electric when I
22 worked there. I have also previously reviewed the employee meal expense policy in
23 place for Westar, Inc. and Ameren, both of which were similar to the Company’s. In

1 addition, we also previously used an Edison Electric Institute (“EEI”) electronic message
2 board to inquire about the expense report policies in place at other electric utilities. I
3 consider this EEI source a reliable means of becoming informed of practices used by
4 other electric utilities. Although we received only one response, the policy in place for
5 that company was similar to the one used for the Company in that it allows for,
6 “payment/reimbursement of reasonable, necessary customer business expenses that
7 employees may incur in the performance of their duties.”

8 **Q: Ms. Conner’s workpaper notes indicated that meal expenses should not be**
9 **reimbursed if the meeting occurs in the Kansas City area. Do you agree with this**
10 **position?**

11 A: No, reimbursement for local meals which have a business purpose is appropriate. As
12 explained earlier in my testimony, the Company has management controls regarding the
13 reimbursement of expenses. An individual, who approves and/or validates credit card
14 transactions, or a reimbursement request, accepts responsibility for the propriety of all
15 costs included therein and for adherence to this procedure. Inappropriate behavior by
16 employees in the use of Company resources is considered a disciplinary issue that could
17 result in the termination of an employee’s privileges or in termination of employment.
18 Meal expenses at a local establishment is an example of a reasonable management
19 expense that is neither extreme nor excessive. Local dining during the lunch and dinner
20 hour is often the most practical time to meet given the busy schedule of Company
21 executives. Local lunches to discuss budgets or career opportunities for employees are an
22 example. Ensuring executives are visible and responsive to employees in responding to
23 an employee’s suggestion are critical components of leadership and of keeping morale

1 high and improving communication at all levels throughout the Company. Providing a
2 meal in a neutral environment where important issues and the business of the Company
3 can be and are discussed freely and openly is not extreme or excessive.

4 **Q: Does the Company have a policy regarding reimbursing for personal expenses?**

5 A: Yes. Employees may not be reimbursed for “Leisure activities, alcoholic beverages
6 (except as otherwise reimbursable under “Entertainment” or “Meals”), and other
7 unreasonable or non-business costs.”

8 **Q: Does this conclude your testimony?**

9 A: Yes.

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

In the Matter of Kansas City Power & Light)
Company's Request for Authority to Implement) Case No. ER-2018-0145
A General Rate Increase for Electric Service)

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority to) Case No. ER-2018-0146
Implement A General Rate Increase for Electric)
Service)

AFFIDAVIT OF STEVEN P. BUSSER


STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Steven P. Busser, being first duly sworn on his oath, states:

1. My name is Steven P. Busser. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Vice President—Risk Management and Controller.

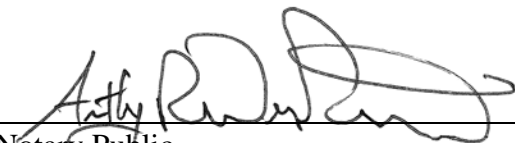
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of six (6) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Steven P. Busser

Subscribed and sworn before me this 4th day of September 2018.



Notary Public

My commission expires: 4/26/2021

ANTHONY R WESTENKIRCHNER
Notary Public, Notary Seal
State of Missouri
Platte County
Commission # 17279952
My Commission Expires April 26, 2021