

*Exhibit No.:*  
*Issues:* Corporate Allocations  
Incentive Compensation  
Quality of Service  
*Witness:* Lisa A. Kremer  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal Testimony  
*Case No.:* GR-2014-0007  
*Date Testimony Prepared:* April 3, 2014

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW - UTILITY SERVICES**

**ENGINEERING & MANAGEMENT SERVICES**

**SURREBUTTAL TESTIMONY**

**OF**

**LISA A. KREMER**

**MISSOURI GAS ENERGY**  
**A Division of Laclede Gas Company**

**CASE NO. GR-2014-0007**

*Jefferson City, Missouri.*  
*April 3, 2014*

**\*\* Denotes Highly Confidential Information \*\* '\*\*\*\*\*'**

**PR**

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**LISA A. KREMER**  
**MISSOURI GAS ENERGY**  
**CASE NO. GR-2014-0007**

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EXECUTIVE SUMMARY .....2

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1                                   **SURREBUTTAL TESTIMONY OF**

2   **LISA A. KREMER**

3   **MISSOURI GAS ENERGY**

4   **CASE NO. GR-2014-0007**

5            Q.    Please state your name and business address.

6            A.    Lisa A. Kremer, P.O. Box 360, Jefferson City, Missouri 65102.

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

8            A.    I am the Manager of the Engineering and Management Services Unit with the  
9 Missouri Public Service Commission (Commission or MoPSC).

10          Q.    Describe your educational and professional background.

11          A.    I graduated from Lincoln University in Jefferson City, Missouri, in 1983 with a  
12 Bachelor of Science Degree in Public Administration, and in 1989 with a Masters' Degree in  
13 Business Administration from Lincoln University. I successfully passed the Certified Internal  
14 Auditor (CIA) examination in 1997 and am a Certified Internal Auditor.

15          I have been employed for approximately 27 years by the Commission in Management  
16 Analysis positions and have been the Manager of the Engineering and Management Services  
17 Unit for the past 14 years. Prior to working for the Commission, I was employed by Lincoln  
18 University for approximately two and one-half years as an Institutional Researcher.

19          Specifically, I have participated in the analysis of or had oversight responsibilities for  
20 reviews of numerous customer service processes and/or conducted comprehensive customer  
21 service reviews at all the large regulated electric, natural gas and water utilities including:  
22 Associated Natural Gas Company, Union Electric Company d/b/a AmerenUE (AmerenUE)  
23 Electric and Gas Companies, Empire District Electric Company, Missouri Gas Energy, Atmos

1 Energy Corporation, Kansas City Power & Light Company (KCPL), KCP&L Greater Missouri  
2 Operations Company (GMO) and the predecessor company Aquila, Inc., Laclede Gas Company  
3 and Missouri-American Water Company. I have also filed service quality testimony that  
4 included analysis of various service quality matters in a number of Commission proceedings  
5 involving Missouri regulated utilities. At the direction of the Commission during 2001, the  
6 Engineering and Management Services Unit began reviewing the customer service and business  
7 operation practices of small water and sewer utilities when they request rate increases. The unit  
8 has performed numerous reviews of this type since that time.

9 The Engineering and Management Services Unit has also performed management audits  
10 of public utilities operating within the state of Missouri under the jurisdiction of the  
11 Commission. I have served as project manager and in support roles on a number of these  
12 projects during my years of employment at the Commission, as well as participated in other  
13 types of utility investigation and review projects. These reviews include electric, natural gas,  
14 telecommunications, water and sewer companies operating within the state of Missouri.

15 The attached Schedule LAK-1 is a listing of those cases in which I have filed testimony  
16 before the Commission.

17 **EXECUTIVE SUMMARY**

18 Q. Please summarize your surrebuttal testimony.

19 A. The purpose of my surrebuttal testimony is to respond to statements made by  
20 the rebuttal testimony of Glenn W. Buck on page 4, beginning at line 13 of his testimony  
21 regarding Company departures wherein he states “the reduction in payroll and benefit costs  
22 related to these departed individuals was \$1.6 million and the savings are fully reflected in  
23 Staff’s direct case.” Specifically Mr. Buck’s testimony addresses “Day 1” departures since the

Surrebuttal Testimony of  
Lisa A. Kremer

1 purchase of Missouri Gas Energy (MGE or Company) by Laclede Gas Company (Laclede,  
2 Laclede Gas) but fails to provide the Commission additional pertinent information regarding  
3 what Staff understands to be Laclede's plan, either immediately or within a year, to outsource the  
4 entire \*\*\_\_\_\_\_\*\*and is strongly considering the future outsourcing of

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7 \_\_\_\_\_ \*\* Staff witness Keith Majors addresses employee reductions that are taking place  
8 at the MGE headquarters and identifies expected future cost reductions in his surrebuttal  
9 testimony in this case. My surrebuttal testimony provides more information regarding this topic.

10 My testimony will address how some of these employee reductions may impact customer  
11 service as the \*\*\_\_\_\_\_

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23 Q. \*\*\_\_\_\_\_

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Surrebuttal Testimony of  
Lisa A. Kremer

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Surrebuttal Testimony of  
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Surrebuttal Testimony of  
Lisa A. Kremer

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Surrebuttal Testimony of  
Lisa A. Kremer

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25 Q. Does this conclude your testimony?

26 A. Yes.

**PR**



**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of Missouri Gas Energy, Inc.'s )  
Filing of Revised Tariffs to Increase its Annual ) Case No. GR-2014-0007  
Revenues for Natural Gas )

AFFIDAVIT OF LISA A. KREMER

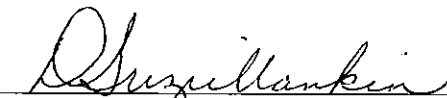
STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

Lisa A. Kremer, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 22 pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

  
\_\_\_\_\_  
Lisa A. Kremer

Subscribed and sworn to before me this 3<sup>rd</sup> day of April, 2014.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2016  
Commission Number: 12412070

  
\_\_\_\_\_  
Notary Public

**CASE PROCEEDING PARTICIPATION**

**LISA A. KREMER**

<b>PARTICIPATION</b>		<b>TESTIMONY</b>
<b>COMPANY</b>	<b>CASE NO.</b>	<b>ISSUES</b>
KCP&L Greater Missouri Operations Company	ER-2010-0356	Rebuttal - Quality of Service
Kansas City Power & Light Company	ER-2010-0355	Rebuttal – Quality of Service
Kansas City Power & Light Company	ER-2009-0089	Surrebuttal - Quality of Service
Greater Missouri Operations Company GMO-MPs and GMO-L&P Electric	ER-2009-0090	Surrebuttal – Quality of Service
Laclede Gas Company	GT-2009-0026	Rebuttal – Quality of Service
Atmos Energy Company	GR-2006-0387	Direct – Quality of Service Report – Staff Response to Commission Order
Aquila, Inc.	GR-2004-0072	Direct - Quality of Service
Aquila, Inc.	ER-2004-0034 & HR-2004-0024	Direct - Quality of Service Rebuttal – Quality of Service
Laclede Gas Company	GR-2002-356	Rebuttal – Expense Decommissioning
Missouri Gas Energy	GR-2001-292	Rebuttal – Customer Service
UtiliCorp United Inc. / Empire District Electric Company	EM-2000-369	Rebuttal – Customer Service
Atmos Energy Company / Associated Natural Gas Company	GM-2000-312	Rebuttal – Customer Service
Raytown Water Company	WR-94-211	Rebuttal - Management Audit

**SCHEDULE LAK-2**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**SCHEDULE LAK-3**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**SCHEDULE LAK-4**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**SCHEDULE LAK-5**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**SCHEDULE LAK-6**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**

**SCHEDULE LAK-7**

**HAS BEEN DEEMED**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**