

Exhibit No.:

Issue: Incentive Compensation

Witness: Janis E. Fischer

Sponsoring Party: MoPSC Staff

Type of Exhibit: Surrebuttal Testimony

Case No.: EC-2002-1

Date Testimony Prepared: June 24, 2002

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

SURREBUTTAL TESTIMONY

OF

JANIS E. FISCHER

UNION ELECTRIC COMPANY

d/b/a AMERENUE

CASE NO. EC-2002-1

Jefferson City, Missouri
June 2002

Exhibit No. 57 NP
Date 7/10/02 Case No. EC-2002-1
Reporter KLM

**** Denotes Proprietary Information ****

NP

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service Commission,	)	
	)	Case No. EC-2002-1
	)	
vs.	)	
	)	
Union Electric Company, d/b/a AmerenUE,	)	
	)	
Respondent.	)	

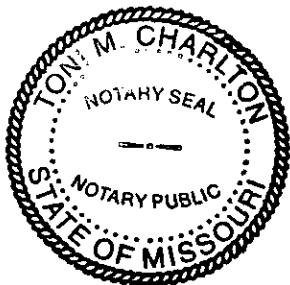
AFFIDAVIT OF JANIS E. FISCHER

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

Janis E. Fischer, is, of lawful age, and on her oath states: that she has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 20 pages to be presented in the above case; that the answers in the following 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.


Janis E. Fischer

Subscribed and sworn to before me this 27th day of June, 2002.




Notary Public

TONI M. CHARLTON
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF COLE
My Commission Expires December 28, 2004

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CASE NO. EC-2002-1

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1 customer complaints. I assisted with the acquisition of Falls City's natural gas
2 distribution system from Kansas Power and Light Company, predecessor company of
3 Western Resources, Inc. After the acquisition, I compiled asset records for the natural
4 gas distribution system for the utility, nominated gas supplies for the municipal power
5 plant, monitored gas transportation customer loads and billed transportation customers.
6 I was appointed by the Board of Public Works (Board) to the Nebraska Public Gas
7 Agency (NPGA) Board and later was elected Vice Chairperson of the Board. NPGA is
8 comprised of members from municipal natural gas systems who collectively purchase
9 natural gas and acquire natural gas wells to supply gas to municipal gas systems and
10 power plants at reduced costs.

11 I also was employed as a staff accountant with the accounting firm of
12 Cuneo, Lawson, Shay and Staley, PC, in Kansas City, Missouri, for approximately two
13 years. While employed as a staff accountant, I assisted in various audits, compilations
14 and reviews of corporations and prepared individual and corporate state and federal tax
15 returns. I researched tax issues, assisted with compliance audits and interacted with
16 various clients.

17 Q. What has been the nature of your duties with the Commission?

18 A. I have directed and assisted with various audits and examinations of the
19 books and records of public utilities operating within the state of Missouri under the
20 jurisdiction of the Commission.

21 Q. Have you previously filed testimony before this Commission?

22 A. Yes. Please refer to Schedule 1, attached to this surrebuttal testimony, for
23 a list of the major audits on which I have assisted and filed testimony.

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Purpose of Testimony

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

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Union Electric Company, d/b/a AmerenUE (UE or Company) witnesses Mark C. Lindgren and David Cross, specifically related to the issue of incentive compensation expense.

Q. Are you adopting any of the direct testimony sponsored by the Staff in this proceeding?

A. Yes, I am. Due to his surgery, I am sponsoring the portion of the direct testimony of Staff Accounting witness Doyle L. Gibbs that concerns the issue of incentive compensation. Other Staff witnesses will be adopting the other portions of Mr. Gibbs' direct testimony.

INCENTIVE COMPENSATION

Description of Incentive Plans

Q. Please describe the incentive compensation plans of UE.

A. The following is a description of the incentive plans for 2000, which governed incentive payments made in 2001 that occurred during the test year for this case:

1) ** P

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P

P

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1	P	
2	P	
3	P	
4	P	
5	P	**
6	2) ** P	
7	P	
8	P	
9	P	
10	P	
11	P	
12	P	
13	P	
14	P	
15	P	
16	P	
17	P	
18	P	
19	P	
20	P	
21	P	
22	P	**

1		3) ** P
2		P
3		P
4		P
5		P
6		P
7		P
8		P
9		P
10		Q. ** P
11	P	
12		A. ** P
13	P	
14	P	
15	P	
16	P	

18 Q. Mr. Lindgren, on pages four through eight of his rebuttal testimony,
19 discusses the changes that Ameren has made to its incentive plans since the 1998
20 implementation of a new performance management process called the "performance
21 scorecard." Is it relevant to the determination of cost of service in this case to discuss the
22 changes occurring in the 2001 and 2002 to Ameren's incentive plans?

1 A. No. The Commission ordered the use of a test year for this case that ends
2 June 30, 2001, updated through September 30, 2001. This requires the Staff to evaluate
3 the incentive plans that were effective during that period.

4 **Use EPS as Trigger for Incentive Awards**

5 Q. How would you respond to Mr. Lindgren's statement on page 10,
6 lines 14-17, of his rebuttal testimony, "The incentive plans are structured to serve the best
7 interests of both ratepayers and shareholders. As such, EPS is used to indicate the
8 collective performance of Ameren compared to shareholder expectations and then fund
9 the incentive plan in relation to this performance."?

10 A. UE states that the level of EPS determines the availability of additional
11 money to pay incentive compensation. However, the Staff is opposed to including in
12 rates costs associated with any incentive plan that determines the overall payout, or
13 individual payouts, based upon an EPS trigger in a utility company's revenue
14 requirement. There is no direct link between increased earnings of a utility company and
15 benefits to ratepayers. EPS is a performance indicator that better expresses benefits to
16 shareholders. In UE documents given to employees discussing incentive compensation
17 plans, the repeated emphasis is on performance to benefit shareholders and increased
18 profits rather than on improving service to customers.

19 Q. Why isn't an EPS "trigger" for payment of incentive compensation
20 appropriate from a ratepayer perspective?

21 A. There are several reasons why the use of an Ameren EPS level to
22 determine incentive compensation payouts is not appropriate. The calculation of EPS is
23 based upon the performance of Ameren in total and does not differentiate between utility

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1 jurisdictions or regulated versus non-regulated activities. This basis promotes actions
2 that would promote Ameren's profitability at the expense of UE and its customers. Staff
3 witness, Michael. S. Proctor, of the Energy Department, provides an example of how
4 UE's interests are subjugated to promote Ameren's profitability in his discussion
5 regarding the "Joint Dispatch Agreement."

6 EPS is merely a quotient calculated by taking the net income of Ameren in
7 total and dividing by the number of common shares outstanding. The increases and
8 decreases to EPS are the result of fluctuations in expenses, revenues and the number of
9 shares outstanding. Each of these components of EPS can be affected by any number of
10 factors, some of which are within management's control and some which are not.
11 Ameren's 2001 Annual Report to Shareholders, at page 15, lists factors that contributed
12 to changes in EPS between 1999 and 2001:

13 Earnings and earnings per share increased over the three-year
14 period primarily due to: the rate of sales growth, weather
15 variations, credits to electric customers, electric rate reductions,
16 gas rate changes, competitive market forces, fluctuating operating
17 costs (including Callaway Nuclear Plant refueling outages),
18 expenses relating to the withdrawal from the electric transmission
19 related Midwest Independent System Operator (Midwest ISO),
20 charges for coal contract terminations, adoption of a new
21 accounting standard, changes in interest expense, and changes in
22 income and property taxes.

23 Earnings measures, such as EPS, do not necessarily reflect customer
24 interests. While some of the factors listed above directly impact ratepayers if rates are
25 reduced, one cannot conclude that other factors resulting in EPS changes over the last
26 three years even indirectly represent improved customer service or benefits. ** P

27 P

28 P

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1 P ** If shareholders are the ones to benefit, they should be the ones who
2 pay. If incentive compensation plan goals are financially driven there is a risk that they
3 may be achieved at the expense of customer service.

4 Q. Isn't it true that EPS promote efficiency?

5 A. Yes. It also promotes actions to make sure any efficiency gains are not
6 passed on to consumers that would lower EPS. This is shown in testimony of some of
7 AmerenUE's witnesses supporting their Alternative Regulatory Plan (ARP).

8 Q. How did UE's EPS payout trigger amount compare to UE's budgeted
9 income levels?

10 | A. ** P

11 | P

12 | P

13 | P

14 | P

15 At a minimum, an acceptable management performance plan
16 should contain goals that improve existing performance, and the
17 benefits of the plan should be ascertainable and reasonably related
18 to the incentive plan.

19 | ** p

20 | P

21 | P

22 | ** P

23 | P

24 | P

25 | P

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1 P

2 P

3 P

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4 In addition, by including the incentive awards in cost of service, the
5 Commission will be guaranteeing that the funds are available through a normalized
6 revenue stream. The UE incentive compensation plans have changed every year. There
7 is no guarantee that costs the Commission would find acceptable one year would be
8 continued in future years.

9 Q. Mr. Lindgren on page 2 of his rebuttal testimony states, "It is improper to
10 deny recovery of costs associated with the Company's Incentive Compensation
11 Program." Is recovery of costs in rates the only way a utility can fund incentive
12 compensation plans?

13 A. No. Incentive compensation goals that result in efficiencies, expense
14 reductions and revenue increases provide additional funds that should be used to fund the
15 payouts to employees that contributed to the financial goals being met. In addition, goals
16 that are directed towards shareholder benefits should be funded through shareholder
17 contributions. Other incentive compensation goals directed towards improved customer
18 service typically would not have positive monetary impacts, and payouts to employees
19 for attaining these goals should be paid by ratepayers since they directly benefit.

20 Q. Mr. Cross on page 11, lines 8-10 of his rebuttal testimony states,
21 "According to our surveys, earnings based incentive measures are among the most
22 common across the industry." Does this mean that if other utility companies find the use

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1 of EPS to be acceptable that the Missouri Commission should include costs associated
2 with the incentive plans in utility company revenue requirements?

3 A. No. In fact a recent Illinois Commerce Commission decision in 00-0802,
4 214 PUR4th 437, Re Central Illinois Public Service Company (AmerenCIPS) states:

5 With regard to the requested level of expenses under Ameren's
6 plan, the actual payout to employees pursuant to the plan will not
7 occur unless earnings per share targets are achieved. Therefore,
8 although Ameren's incentive compensation plan does include
9 certain performance and efficiency goals, no funding of the plan
10 will occur and no incentive payments will be made if the Company
11 fails to meet its financial target, even if all key performance
12 indicators are met by the employees. Meanwhile, under the
13 Company's proposal, the projected payouts would continue to be
14 collected from ratepayers even if actual payouts do not
15 occur...Accordingly, while the commission believes that incentive
16 compensation plans have the potential to provide benefits in terms
17 of improving performance and reducing costs, and that the
18 recovery of expenses associated with incentive compensation plans
19 may be appropriate in some circumstances, the Commission
20 concludes, for the reasons set forth above, that Ameren should not
21 be allowed to recover from ratepayers the expenses associated with
22 its current incentive compensation plan as requested in this docket.

23 Q. How does Ameren convey its incentive compensation "focus" for the
24 coming year to its employees?

25 A. The CEO, Mr. Charles Mueller, drafts a letter tailored specifically for each
26 group of employees covered under the AIP, AMIP and EIP. Excerpts from the
27 February 14, 2000 letter to AIP employees states:

28 ** P
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32
33

34 Q. ** P

35 P

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1 A. No. The EPS results reflect overall performance of Ameren, including all
2 subsidiaries. Non-Missouri and non-regulated operations combined with Missouri
3 operations are included in the EPS that determines incentive compensation payouts.

4 Q. Has the Commission addressed this issue related to the use of
5 non-Missouri specific earnings results in determining incentive compensation awards in
6 prior cases?

7 A. Yes. In Case Nos. TC-89-14, et al., respecting Southwestern Bell
8 Telephone Company (SWB), a regulated subsidiary of Southwestern Bell Corporation
9 (SBC) the Commission's Report and Order states:

10 In the Commission's opinion the results of the parent corporation,
11 unregulated subsidiaries, and non-Missouri portions of SWB, are
12 only remotely related to the quality of service or the performance
13 of SWB in the state of Missouri. Achieving the goals of SBC and
14 unregulated subsidiaries is too remote to be a justifiable cost of
15 service for Missouri ratepayers.

16 Q. Why is it not appropriate to set Missouri utility rates based upon costs of
17 service resulting from non-Missouri specific earnings results?

18 A. By using EPS for the measurement of the level of payout available to
19 employees, the performance of activities that Ameren engages in may be irrelevant to or
20 even contrary to the interests of Missouri ratepayers but may increase incentive
21 compensation payouts. Increased profits in marketing of power or performance of
22 AmerenCIPS could increase EPS and incentive compensation payouts without any
23 improved performance that benefits ratepayers in Missouri.

24 Q. Do earnings measures such as EPS necessarily reflect customer interests?

25 A. No. With the possibility of restructuring and deregulation and with
26 increased merger activity within the electric utility industry over the last several years,

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1 utilities have sought to become leaner to survive. A market based utility industry will
2 require that utilities generate profits without the benefits of a captive customer base.
3 Employee reductions and other means to increase the bottom line have become the norm.
4 UE, in its September 30, 2001, Quarterly Report Pursuant to Section 13 or 15(d) of the
5 Securities Exchange Act of 1934, (Form 10-Q) issued to the United States Securities and
6 Exchange Commission (SEC) discusses its operations:

7 The Registrant, in the ordinary course of business, explores
8 opportunities to reduce its costs in order to remain competitive in
9 the marketplace. Areas where the Registrant focuses its review
10 include, but are not limited to, labor costs and fuel supply costs. In
11 the labor area, over the past two years, the Registrant has reached
12 agreements with all of its major collective bargaining units which
13 will permit the Registrant to manage its labor costs and practices
14 effectively in the future. The Registrant also explores alternatives
15 to effectively manage the size of its workforce. These alternatives
16 include utilizing hiring freezes, outsourcing and offering employee
17 separation packages. In the fuel supply area, the Registrant
18 explores alternatives to effectively manage its overall fuel costs.
19 These alternatives include diversifying fuel sources for use at the
20 Registrant's fossil power plants, as well as restructuring or
21 terminating existing contracts with suppliers.

22 Certain of these cost reduction alternatives could result in
23 additional investments being made at the Registrant's power plants
24 in order to utilize different types of coal, or could require
25 nonrecurring payments of employee separation benefits or
26 nonrecurring payments to restructure or terminate an existing fuel
27 contract with a supplier. Management is unable to predict which
28 structure will be executed. Management is unable to determine the
29 impact of these actions on the Registrant's future financial
30 position, results of operations or liquidity.
31 [Emphasis added.]

32 The motivation for increasing EPS is to enhance shareholder value. Safe
33 and adequate service with just and reasonable rates are the standards that regulated utility
34 companies are required to meet in Missouri. UE may argue that an increase to the bottom
35 line creates a healthier utility which then automatically benefits customers. There is no

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1 direct cause and effect relationship between increased income and/or decreased expense
2 and better customer service.

3 Q. Mr. Lindgren on page 9 lines 1-11 discusses weather normalization and
4 why it is not appropriate for EPS in relationship to incentive compensation payouts.
5 Does the Staff agree with Mr. Lindgren?

6 A. No. Weather conditions are obviously outside the control of a utility. The
7 impact of weather is typically normalized during a rate case proceeding and should also
8 be normalized in relationship to incentive compensation payouts that result from financial
9 measurements. Weather will impact EPS and business line/function goals if tied to
10 budget targets. During a June 4, 2002, interview with Mr. Lindgren, he stated that the
11 2001 EPS was adjusted for weather in relation to the incentive compensation payout
12 levels. The Staff has submitted a data request to verify that this actually did occur and is
13 awaiting a response.

14 Q. Mr. Cross on page 8, lines 5-7 of his rebuttal testimony identifies the
15 incentive target as the market competitive level of incentive. Has the target level EPS
16 been the incentive level to which incentives have been paid during the test year?

17 A. No. ** IP

18 P

19 P

20 P

21 P

22 P

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1 **Staff's Alternative Position**

2 Q. Is there any incentive compensation plan that the Staff would include in a
3 utility company's cost of service?

4 A. Yes. An incentive plan that does not rely on an earnings measurement
5 such as EPS for the payout mechanism could meet the criteria for inclusion in a utility
6 company's cost of service.

7 Q. If the Commission were to decide that EPS was an appropriate threshold
8 funding mechanism for payment of incentive compensation, would the Staff have other
9 reasons why it believes that the UE incentive compensation plans should not be included
10 in cost of service?

11 A. Yes. The Staff would still propose a partial disallowance of the costs
12 associated with the incentive compensation plans based upon its review of the plans. An
13 evaluation of each plan for purposes of the Staff's alternative recommendation follows:

14 **Evaluation of the AIP**

15 Q. Would the Staff disallow the 2000 AIP incentive compensation plan costs?

16 A. Yes. The AIP for 2000 was based entirely upon EPS, a shareholder
17 benefit measure. There were no Business Unit goals or Individual goals set, nothing to
18 tie job performance to ratepayer benefits. All employees would still be paid incentive
19 compensation under the AIP if the EPS threshold level was met. Even if employee
20 performance beyond that required under an employee's basic job requirements was not
21 achieved.

Evaluation of the AMIP

Q. Does the Staff have concerns about the criteria for incentive compensation awards related to the AMIP as well?

A. Yes. As with any incentive compensation plan, the Staff believes that employee goals must be required to improve job performance beyond basic job requirements. Goals must be quantifiable and a relationship to improved customer service or benefit should be ascertained.

Q. Do the Business Line/Function goals within the AMIP need to meet the same criteria as individual goals?

A. Yes. Goals should be set that demonstrate improved business unit performance over prior years. The goals should be quantifiable and customer benefits should be directly identifiable.

Q. Has the Staff reviewed the business and individual goals of the AMIP for 2000?

A. ** P

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P

P

P

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The amount of data that the Staff has received to date does not provide the level of detail to draw conclusions about the level of impact employee performance has on the goal results. The impact of technology and other external forces on goal results also skews the results. However, the four quadrants used to set business line/function

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1 goals do provide a distinction between goals directed towards shareholders, the Company
2 and ratepayer benefits. While financial and process efficiency/innovation goals can be
3 typically quantified in dollars, employee and customer goals may not be. The Staff
4 would suggest that if all stakeholders benefit from the AMIP when employees attain
5 goals, then all stakeholders should contribute to the cost of the AMIP.

6 Q. On page 2 of Mr. Cross's testimony he states that the primary objectives
7 of an incentive plan are to attract, retain and motivate employees. Does the Staff find that
8 UE has an employee retention problem?

9 A. No. In response to Staff Data Request No. 154, UE provided employee
10 turnover levels for the years 1997 through 2001. Excluding retirements, the total number
11 of employees that have chosen on a voluntary basis to leave the Company between 1997
12 and 2001 is sixteen out of an average of over 4,000 employees. UE does not have a
13 retention problem.

14 Q. Has the Staff reviewed the individual goals of the AMIP for 2000?

15 A. The Staff has not completed its analysis. A request to review a sample of
16 2000 and 2001 employee evaluations associated with the AMIP payouts was made on
17 June 4. The Staff will determine an allowable level of incentive compensation for the
18 AMIP employees for its "alternative" position on incentive compensation based upon its
19 analysis.

20 Q. Do you plan to file supplemental surrebuttal to address your evaluation of
21 the AMIP incentive plan based upon the response to Staff data requests still outstanding?

22 A. Yes. I plan to file supplemental surrebuttal testimony if the responses to
23 the outstanding data requests are received. A summary of the Business Line/Function

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1 goals for 2000 and the corresponding payout percentages resulting from performance are
2 included in Schedule 2 attached to my testimony, and may be updated to include
3 additional information. In addition, information related to individual goals for AMIP
4 employees and the payouts for the EIP employees may be included in supplemental
5 surrebuttal if the information is provided.

6 **Evaluation of the EIP**

7 Q. Has the Staff requested a sample of employees from the ALT to assess the
8 goals set for the EIP employees for 2000 and 2001?

9 A. Yes. Upon review of this information, the Staff will determine if any
10 incentive compensation awards distributed to the EIP employees should be included in
11 UE's revenue requirement under the "alternative" position.

12 Q. Does the Staff, based upon information already received in data request
13 responses believe that it is likely that the EIP payouts will meet the Commission's criteria
14 for allowing incentive compensation in rates?

15 A. No. From all information received to date, it appears that the EIP payouts
16 are not tied to specific pre-set standards or goals that can be provided in writing or
17 quantified, although Ameren's annual 2000, Proxy Statement Pursuant to Section 14(a)
18 of the Securities Exchange Act of 1934, (DEF 14A) to the SEC filed on March 15, 2001
19 includes the following:

20 The second component of the executive compensation program is a
21 performance-based Executive Incentive compensation Plan
22 established by the Ameren Corporation Board, which provides
23 specific, direct relationships between corporate results and Plan
24 compensation. For 2000, Ameren consolidated year-end earnings
25 per share (EPS) target levels were set by the Human Resources
26 Committee. If EPS reaches at least the minimum target level, the
27 Committee authorizes incentive payments within prescribed ranges

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1 based on individual performance and degree of responsibility. If
2 EPS fails to reach the minimum target level, no payments are
3 made. Under the Plan, it is expected that payments to the Chief
4 Executive Officers of Ameren Corporation and its subsidiaries will
5 range from 0-37% of base salary. For 2000, actual payments
6 ranged from 28.8% to 35.6% of base salary.
7 [Emphasis added.]

8 The Staff is not sure why UE has failed to provide details related to the
9 EIP goals for 2000. The Staff's analysis would be similar to what was performed at
10 Empire District Electric Company for its Management Incentive Plan (MIP). Easily
11 attained EIP goals that are not beneficial to the general body of ratepayers, and awards
12 which may be exorbitant, even if the goals are appropriate, should not become moving
13 targets used merely to enhance EIP employee salaries. The Ameren 2001 DEF 14A
14 report to the SEC states that incentive compensation payments to Chief Elected Officers
15 could range from zero to ninety percent of base salary. The 2001 EPS fell below the
16 target level, therefore actual EIP payouts were held to 27.9 % to 39.6 % of base salary.

17 The job requirements of executives often require that they devote time and
18 energy to multiple subsidiaries of the parent company. There is no reason to believe that
19 this is not the case at Ameren. Increased non-regulated activity and an emphasis on
20 shareholder value may require increasing amounts of executive time. It is highly unlikely
21 that Missouri ratepayer benefits are included in individual goals when the emphasis of the
22 Company is on earnings and the growth of non-regulated subsidiaries.

23 Q. Mr. Lindgren, on page 10 lines 18-19 of his rebuttal testimony, states the
24 most significant influence on the payment of incentives is the employee's individual and
25 functional performance, which directly focuses on the interests of Missouri ratepayers.
26 Does the Staff agree with Mr. Lindgren?

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1 A. No. The Staff believes that the most significant influence on the payment
2 of incentives is the level of EPS. An employee could meet all individual goals and
3 contribute to a Business Line/Function that attains one hundred percent of its goals
4 including exceptional service to Missouri ratepayers and still be denied an incentive
5 compensation payout or be penalized by an EPS level falling below the threshold or
6 target. The Staff has not been able to ascertain from information provided in response to
7 Staff data requests that Mr. Lindgren's statement is accurate for employees participating
8 in the EIP. When outstanding data request responses related to EIP are received an
9 analysis will determine if indeed the interests of Missouri ratepayers are included in the
10 employees' individual and functional performance. Key performance indicators that
11 correspond to improving shareholder value as opposed to enhancing Missouri ratepayer
12 benefits would be disallowed and the incentive compensation payouts reduced
13 proportionately.

14 **

15 P

16 P

17 P

18 P

19 P **

20 Q. What amount of incentive compensation expense has the Staff proposed to
21 disallow in its direct filing for this case?

22 A. The Staff has disallowed all of the incentive compensation awards for the
23 year 2000 that were paid during the test year.

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1 Q. Why has the Staff disallowed all of the incentive compensation expenses
2 from UE's cost of service?

3 A. The Staff opposes the inclusion of UE's incentive compensation expense
4 for several reasons:

5 1) **

6 P

7 P **

8 2) ** P

9 P

10 P **

11 3) ** P

12 P

13 P **

14 The criteria that the Staff uses to determine if incentive compensation
15 awards should be included in a utility company's cost of service are based upon past
16 Commission Reports and Orders that address specifically the issue of incentive
17 compensation. In addition, the Staff's criteria for inclusion of any expense in cost of
18 service is contingent upon the costs being known and measurable and representative of
19 ongoing expenses. I have addressed each of these reasons for opposition to the inclusion
20 of incentive compensation plan costs in cost of service in my surrebuttal testimony.

21 Q. Does this conclude your surrebuttal testimony?

22 A. Yes, it does.

SUMMARY OF RATE CASE TESTIMONY FILED

Janis E. Fischer

<u>COMPANY</u>	<u>CASE NO.</u>
Empire District Electric Company	ER-97-81
Union Electric Company (AmerenUE)	GR-97-393
Osage Water Company	WA-98-236/ WC-98-211
Western Resources/Kansas City Power & Light Company	EM-97-515
UtiliCorp United, Inc./St. Joseph Light & Power Company	EM-2000-292
UtiliCorp United, Inc./Empire District Electric Company	EM-2000-369
KLM Telephone Company	TT-2001-120
Empire District Electric Company	ER-2001-299
Missouri Gas Energy, Division of Southern Union Company	GR-2002-292
Missouri Public Service, Division of UtiliCorp United, Inc.	ER-2001-672/ EC-2002-265
Missouri American Water Company, Division of American Water Works Company, Inc.	WO-2002-273
Citizens Electric Company	ER-2002-217
Laclede Gas Company	GR-2002-356

FISCHER

SCHEDULE 2

DEEMED

PROPRIETARY

IN ITS ENTIRETY