

Exhibit No.:  
Issues: Administrative and General  
Expenses Analysis  
Witness: Susette N. Long  
Sponsoring Party: MoPSC Staff  
Case No.: EM-91-213

MISSOURI PUBLIC SERVICE COMMISSION  
UTILITY SERVICES DIVISION

KANSAS POWER AND LIGHT COMPANY  
CASE NO. EM-91-213

REBUTTAL TESTIMONY  
OF  
SUSETTE N. LONG

FILED  
APR 12 1991  
PUBLIC SERVICE COMMISSION

Jefferson City, Missouri  
April, 1991

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REBUTTAL TESTIMONY

OF

SUSETTE N. LONG

KANSAS POWER AND LIGHT COMPANY

GAS SERVICE DIVISION

CASE NO. EM-91-213

Q. Please state your name and business address.

A. Susette N. Long, State Office Building, Suite 510, 615  
East Thirteenth Street, Kansas City, Missouri 64106.

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

A. I have been employed by the Missouri Public Service  
Commission (Commission) as a Regulatory Auditor since October, 1990.

Q. Please describe your educational background.

A. I graduated from Central Missouri State University in  
May, 1990, with a Bachelor of Science degree in Business  
Administration, with a functional major in Accounting.

Q. What has been the nature of your duties while in the  
employ of this Commission?

A. I have, under the direction of the Manager of  
Accounting, assisted with audits and examinations of books and  
records of utility companies operating within the state of Missouri.

Q. Have you previously filed any testimony before the  
Commission?

A. No, this is the first time I am filing testimony.

Rebuttal Testimony of  
Susette N. Long

1           Q.   With reference to Case No. EM-91-213, have you made an  
2 examination of the books and records of Kansas Power and Light  
3 Company (KPL)?

4           A.   Yes, with the assistance of other members of the  
5 Commission Staff (Staff).

6           Q.   What is the purpose of your rebuttal testimony?

7           A.   This testimony will describe my examination of  
8 Administrative and General (A&G) expenses of the gas operations of  
9 four utilities operating within the state of Missouri, in comparison  
10 with A&G expenses for KPL's Gas Service Division in Missouri. This  
11 rebuttal testimony is not intended for the purpose of interpreting  
12 the results of the examination; rather, it serves only to describe  
13 the mechanics of the examination. Staff witness Steve M. Traxler  
14 addresses and interprets the results of this examination in his  
15 rebuttal testimony.

16          Q.   What are A&G expenses?

17          A.   A&G expenses are those costs which are not chargeable  
18 directly to other Federal Energy Regulatory Commission (FERC)  
19 accounts under the other major cost categories (Power Production,  
20 Transmission, Distribution, Customer Accounts and Sales Expenses).

21          Q.   What accounts make up the A&G expenses?

22          A.   Schedule 1 is a list of A&G expenses by FERC account  
23 number.

24          Q.   What other Missouri gas utilities did you compare to  
25 KPL's Missouri gas operations?

26          A.   I examined A&G expenses from the period 1984 through  
27 1990 for St. Joseph Light & Power Company, Union Electric Company,  
28

1 the Missouri Public Service Division of UtiliCorp United Inc. and  
2 Laclede Gas Company.

3 Q. What is the source of the data used in your  
4 examination?

5 A. The data used in my examination was obtained from FERC  
6 "Form 2's" on file with the Commission, as well as Staff Data Request  
7 No. 610.

8 Q. How have you presented the results of your examination  
9 in this rebuttal testimony?

10 A. The results of my examination are reproduced on  
11 Schedules 3 and 4 attached to this rebuttal testimony.

12 Q. Please describe Schedule 3.

13 A. Lines 1-8 of Schedule 3 represent KPL's A&G expenses  
14 allocated to Missouri gas operations for the years 1983 through 1990.  
15 Line 9 is a mathematical expression of the average increase in A&G  
16 expense for the years 1985 through 1990 (found in column B).

17 Q. Why were only the years 1985 through 1990 included in  
18 the average annual increase?

19 A. The average annual increase was computed for the years  
20 1985 to 1990 because 1985 was the year KPL and the former Gas Service  
21 Company's operations were merged. Please see the rebuttal testimony  
22 of Staff witness Traxler for further explanation of this point.

23 Q. Please describe Schedule 4.

24 A. Schedule 4 represents a comparison of the A&G expenses  
25 for the Missouri gas utilities listed previously. Lines 1-7 reflect  
26 the A&G expense amounts booked for each company for the years 1984  
27 through 1990. Line 8 reflects the average annual increase for the  
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Rebuttal Testimony of  
Susette N. Long

1 above years. Line 9 represents the average number of customers for  
2 the most current year. Line 10 is a mathematical expression of A&G  
3 costs per customer for each gas utility for the most current year.

4 Q. Does this conclude your rebuttal testimony?

5 A. Yes, it does.  
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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the application of The )  
Kansas Power and Light Company and KCA )  
Corporation for approval of the acquisition )  
of all classes of the capital stock of ) Case No. EM-91-213  
Kansas Gas and Electric Company to merge )  
with Kansas Gas and Electric Company, to )  
issue stock and incur debt obligations. )

AFFIDAVIT OF SUSETTE N. LONG

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

Susette N. Long, of lawful age, on her oath states: that she 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 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.

Susette N. Long  
Susette N. Long

Subscribed and sworn to before me this 12th day of April, 1991.

Judy Fritsch  
JUDY FRITSCH Notary Public  
NOTARY PUBLIC STATE OF MISSOURI  
COLE COUNTY  
MY COMMISSION EXP AUG. 15, 1993

My Commission expires \_\_\_\_\_.

8. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

- 920 Administrative and general salaries.
- 921 Office supplies and expenses.
- 922 Administrative expenses transferred—Cr.
- 923 Outside services employed.
- 924 Property insurance.
- 925 Injuries and damages.
- 926 Employee pensions and benefits.
- 927 Franchise requirements.
- 928 Regulatory commission expenses.
- 929 Duplicate charges—Cr.
- 930.1 General advertising expenses.
- 930.2 Miscellaneous general expenses.
- 931 Rents.
- 933 Transportation expenses (Nonmajor only).

Maintenance

- 935 Maintenance of general plant.

KANSAS POWER AND LIGHT COMPANY  
ADMINISTRATIVE AND GENERAL EXPENSE - MISSOURI GAS OPERATIONS  
1980 - 1990  
CASE NO. EM 91 - 213

LINE NO.	YEAR	A & G EXPENSE CHARGED TO MISSOURI GAS OPERATIONS	PERCENT INCREASE
		(A)	(B)
1	1983	11,799,297	
2	1984	11,399,078	-3.39%
3	1985	14,835,487	30.15%
4	1986	14,762,381	-0.49%
5	1987	16,252,986	10.10%
6	1988	17,572,759	8.12%
7	1989	19,169,813	9.09%
8	1990	21,370,503	11.48%
9	AVERAGE INCREASE		11.00%

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KANSAS POWER & LIGHT COMPANY  
COMPARISON OF GAS OPERATIONS  
ADMINISTRATIVE AND GENERAL EXPENSE  
CASE NO. EM 91 - 213

SCHEDULE 4

L	YEAR	ST JOSEPH LIGHT & POWER		UNION ELECTRIC		UTILICORP MOPUB DIVISION		LACLEDE GAS COMPANY		GAS SERVICE DIVISION	
		\$	%	\$	%	\$	%	\$	%	\$	%
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	1984	222,471		3,114,772		2,231,783		24,044,466		11,399,078	
2	1985	247,550	11.27%	3,047,255	-2.17%	2,243,109	0.51%	24,167,043	0.51%	14,835,487	30.15%
3	1986	258,248	4.32%	3,359,402	10.24%	2,576,076	14.84%	24,755,781	2.43%	14,762,381	-0.49%
4	1987	228,961	-11.34%	3,419,292	1.78%	2,619,699	1.69%	25,290,356	2.16%	16,252,986	10.10%
5	1988	235,874	3.02%	3,497,650	2.29%	3,074,517	17.36%	26,116,602	3.27%	17,572,759	8.12%
6	1989	418,533	77.44%	4,602,576	31.59%	3,283,520	6.80%	25,731,647	-1.47%	19,169,813	9.09%
7	1990	241,474	-42.30%	3,681,546	-20.01%					21,370,503	11.48%
8	AVERAGE INCREASE		1.01%		2.80%		8.00%		1.36%		11.00%
9	AVERAGE CUSTOMERS	6,053		92,949		40,093		585,229		444,302	
10	A & G COST PER CUSTOMER	39.89		39.61		81.90		43.97		48.10	

SOURCE: FERC FORM 2 AND MPSC DR #'S 610 AND 790