

Exhibit No.:
Issue: Employee Meal Expense Policy
Witness: Steven P. Busser
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2016-0285
Date Testimony Prepared: January 27, 2017

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2016-0285

SURREBUTTAL TESTIMONY

OF

STEVEN P. BUSSER

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
January 2017**

SURREBUTTAL TESTIMONY

OF

STEVEN P. BUSSER

Case No. ER-2016-0285

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

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

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

5 A: I am employed by Kansas City Power & Light Company (“KCP&L”) and currently serve
6 as the Vice President-Risk Management and Controller.

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

8 A: I am testifying on behalf of KCP&L.

9 **Q: Are you the same Steven P. Busser who filed Rebuttal Testimony in this proceeding?**

10 A: Yes, I am.

11 **Q: What is the purpose of your testimony?**

12 A: My testimony responds to OPC witness Charles Hyneman’s rebuttal testimony.

13 **Q: Mr. Hyneman claims at p. 26 of his rebuttal testimony that he has raised concerns**
14 **over management spending in previous rate case testimony. What is your response?**

15 A The Company always appreciates and evaluates concerns raised by its regulators. For
16 example, the Company, in response to issues raised by Staff, made changes to its expense
17 report reimbursement procedures as outlined in Schedule RAK-26 to the surrebuttal
18 testimony of Company witness Klote in Case no. ER-2016-0156.

1 **Q: Mr. Hyneman, at p. 26 of his rebuttal testimony, claims that KCP&L “places no**
2 **spending limit or reasonableness evaluation when reimbursing management**
3 **expenses.” Is this true?**

4 A: Of course not. As explained in my rebuttal testimony, KCP&L has management controls
5 regarding the reimbursement of expenses. OPC’ s suggestion of a per diem limit, which
6 was also addressed in my rebuttal testimony, makes no sense and would likely be more
7 difficult to administer than KCP&L’s current policy. Employees are reimbursed for
8 reasonable, legitimate and properly documented business expenses made in accordance
9 with KCP&L-E100 (Supply Chain Management – Procurement) and any other applicable
10 policy. An individual, who approves and/or validates credit card transactions, or a
11 reimbursement request, accepts responsibility for the propriety of all costs included
12 therein and for adherence to this procedure. Inappropriate behavior by employees in the
13 use of company resources is considered a disciplinary issue that could result in the
14 termination of an employee’s privileges or in termination of employment.

15 **Q: Mr. Hyneman alleges at p.26 that KCP&L’s corporate culture regarding**
16 **management spending for meals, travel and miscellaneous purchases is “extremely**
17 **permissive” and allows management to regularly incur excessive and imprudent**
18 **charges. What is your response?**

19 A: Mr. Hyneman’s broad allegations show that he doesn’t understand KCP&L’s corporate
20 culture. The example (Mr. Heidtbrink’s local lunch expense) that he uses is an example
21 of a reasonable management expense that is neither extreme nor permissive. Many of the
22 lunches occurred as the result of an employee driven Ideas Campaign in which it was
23 suggested that three randomly drawn employees per month would go to lunch with Mr.

1 Heidtbrink to help improve communication regarding the Company's strategy, current
2 issues facing the Company and the state of the industry as well to allow employees to get
3 to know Company leadership. Most of the Ideas Campaign lunches occurred at the Yard
4 House as it is a block away from KCP&L headquarters. This location and the timing of
5 the meeting (the lunch hour) is the most practical given the busy schedule that Mr.
6 Heidtbrink maintains in his role as a senior company leader. Other local lunches were
7 working lunches that discussed budgets or career opportunities for employees, for
8 example. Ensuring executives are visible and responsive to employees in responding to
9 an employee's suggestion are critical components of leadership and of keeping morale
10 high and improving communication at all levels throughout the company. Providing a
11 lunch in a neutral environment where important issues and the business of the Company
12 can be and are discussed freely and openly is not extreme or permissive.

13 **Q: Is there any reason for the Commission to adopt Mr. Hyneman's recommendations**
14 **found on p. 26 of his rebuttal testimony?**

15 A: No. My testimony shows that the Company has a reasonable and prudent management
16 expense policy. The Company takes its responsibilities in this area seriously as
17 demonstrated by the internal audit resources employed reviewing the expense report issue
18 over the last several years and the continuous process improvements that are made in the
19 expense reimbursement process.

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

21 A: Yes, it does.

**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)
A General Rate Increase for Electric Service) Case No. ER-2016-0285

AFFIDAVIT OF STEVEN P. BUSSER

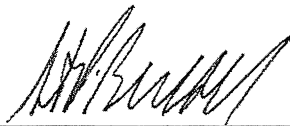
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

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 of Risk Management and Controller.

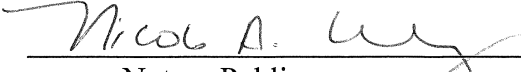
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Kansas City Power & Light Company consisting of three (3) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

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 27th day of January 2017.



Notary Public

My commission expires: Feb. 4, 2019

