

Exhibit No.: \_\_\_\_\_

Issue(s):

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Sponsoring Party:

Case Nos.:

Employee Level

Bolin/Direct True-Up

Public Counsel

ER-2001-299

**FILED**<sup>3</sup>

AUG 07 2001

Missouri Public  
Service Commission

# **DIRECT TRUE-UP TESTIMONY**

## **OF**

## **KIMBERLY K. BOLIN**

Submitted on Behalf of the Office of the Public Counsel

### **Empire District Electric Company**


Case No. ER-2001-299

August 7, 2001

In The Matter Of The Empire District Electric  
Company's Tariff Sheets Designed to Implement  
a General Rate Increase for retail Electric  
Service Provided to Customers in the Missouri  
Service Area of the Company.

**STATE OF MISSOURI**               )  
  )     **SS**  
**COUNTY OF COLE**               )

August, 2001.

  
Bonnie S. Howard, Notary Public

My Commission expires May 3, 2005.

**DIRECT TRUE-UP TESTIMONY**

**OF**

**KIMBERLY K. BOLIN**

**EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE NO. ER-2001-299**

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. Kimberly K. Bolin, P.O. Box 7800, Jefferson City, Missouri 65102.

3 **Q. ARE YOU THE SAME KIMBERLY K. BOLIN WHO FILED DIRECT AND**  
4 **REBUTTAL TESTIMONIES IN THIS CASE?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TRUE-UP TESTIMONY?**

7 A. The purpose of my direct true-up testimony is to update Public Counsel's position regarding the  
8 employee level and base payroll amount to be included in the payroll annualization.

9 **Q. WHAT WAS EMPIRE DISTRICT ELECTRIC COMPANY'S (COMPANY)**  
10 **EMPLOYEE LEVEL AS OF JUNE 30, 2001?**

11 A. The Company's employee level at June 30, 2001 was 648 employees. For the period of December  
12 31, 2000 to June 30, 2001 (the true-up date) the Company hired 47 employees and 38 employees  
13 were terminated. Thus the Company had a net gain of nine employees for this time period.

14 **Q. HAS THE COMPANY GAINED OR LOSS MORE EMPLOYEES SINCE JUNE 30,**  
15 **2001?**

1 A. Yes, the Company hired five new employees and two employees were terminated since June 30,  
2 2001. Thus, the Company had a net gain of three employees since June 30, 2001.

3 **Q. PLEASE PROVIDE A BREAKDOWN OF THE EMPLOYEE LEVEL.**

4 A. The employee level as of June 30, 2001 were as follows:

5 614 Permanent Full-time employees

6 31 Permanent Part-time employees

7 2 Temporary Full-time employees

8 1 Temporary Part-time employee

9  
10 Since June 30, 2001, the Company has had a net gain of one permanent full-time employee and two  
11 permanent part-time employees.

12 **Q. DO YOU RECOMMEND INCLUDING THE SALARIES OF THE FIVE EMPLOYEES**  
13 **HIRED AFTER JUNE 30, 2001 IN YOUR PAYROLL ANNUALIZATION?**

14 A. Yes, I do, but I also recommend removing the two salaries of the two employees who left after June  
15 30, 2001 from my base payroll annualization.

16 **Q. WHAT AMOUNT SHOULD BE INCLUDED IN THE PAYROLL ANNUALIZATION**  
17 **FOR THE TOTAL ANNUALIZED BASE PAYROLL?**

18 The total annualized base payroll (before overtime, bonuses, and awards) should be \$29, 228,494.

19 **Q. HOW DID YOU ARRIVE AT \$29,228,494 FOR THE AMOUNT OF TOTAL**  
20 **ANNUALIZED BASE PAYROLL?**

1 A. I multiplied all permanent full time employees' hourly wages by 2088 hours to arrive at a base  
2 salary for these employees. I also multiplied all of the part- time and the temporary employees'  
3 hourly wages by 1040 hours to arrive at the part-time and temporary employee's annualized base  
4 payroll.

5 **Q. WHY DID YOU INCLUDE THE FIVE ADDITIONAL EMPLOYEES THAT**  
6 **STARTED WORKING AFTER JUNE 30, 2001?**

7 A. I included the five additional employees because the Company provided information showing the  
8 employee's first day at work, dates the employees were sent letters confirming employment and  
9 whom the employees replaced. Two of the newly hired employees replaced people who were with  
10 the Company as of June 30, 2001, but have left since. Therefore, I also removed the annualized  
11 base salaries of the two terminated employees from my total annualized base payroll.

12 **Q. DID THE NEW HIRES REPLACE PEOPLE WHO WERE WITH THE COMPANY AT**  
13 **THE END OF THE TEST YEAR, DECEMBER 31, 2000?**

14 A. Yes, all five of the former employees were with Empire District Electric on December 31, 2000.  
15 Therefore, since the test year (December 31, 2000) the Company has a net gain of 12 employees.

16 **Q. WHAT IS THE DOLLAR EFFECT OF ADDING THE NET OF THREE**  
17 **EMPLOYEES WHO WERE HIRED AFTER JUNE 30, 2001 TO THE BASE**  
18 **PAYROLL ANNUALZIATION FOR JUNE 30, 2001?**

19 A. By adding a net of three employees, the annualized base payroll increased by \$19, 867.

1   **Q.   HOW DID YOUR ARRIVE AT THE INCREASE OF \$19,867 FOR THE NET**  
2       **GAIN OF THREE EMPLOYEES?**

3   **A.   I subtracted from the total annualized base salaries of the five new employees the annualized base**  
4       **salary of the two terminated employees.**

5   **Q.   DOES THIS CONCLUDE YOUR DIRECT TRUE-UP TESTIMONY?**

6   **A.   Yes.**