

*Exhibit No.:*  
*Issue:* Depreciation Data  
*Witness* Jolie L. Mathis  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Verified Statement  
*Case No.:* ER-2001-672  
*Date Testimony Prepared:* October 26, 2001

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**VERIFIED STATEMENT**

**OF**

**JOLIE L. MATHIS**

**UTILICORP UNITED INC.  
d/b/a MISSOURI PUBLIC SERVICE**

**CASE NO. ER-2001-672**

Jefferson City, Missouri  
October 2001

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1 life analysis and techniques, forecasting life, forecasting salvage and cost of removal, and  
2 models for analyzing both aged and un-aged data.

3 Q. Have you previously filed testimony with the Commission?

4 A. Yes, I have. Attached as Schedule 1 to my verified statement is a list of  
5 cases in which I have previously filed testimony.

6 Q. What is the purpose of this verified statement?

7 A. The purpose of this verified statement is to convey to the Commission the  
8 difficulty Staff has had in obtaining current plant data from UtiliCorp United  
9 Inc. (UtiliCorp). Such data is used in the determination of depreciation rates for plant  
10 accounts. Staff is currently restricted to filing its recommendations regarding  
11 depreciation using mortality data ending with year 1996. Staff cannot determine  
12 depreciation rates based on mortality data ending with year 2000 because the Company  
13 objected to Staff Data Request No. 4703.

14 Q. Why did UtiliCorp object to Staff Data Request No. 4703?

15 A. On July 23, 2001, subsequent to UtiliCorp's June 8, 2001 direct filing in  
16 Case No. ER-2001-672, Staff submitted Staff Data Request No. 4703. This standard data  
17 request asked the Company to submit aged retirement data files updated through  
18 December 31, 2000 in the Gannett-Fleming format. On August 1, 2001, the Company  
19 filed an objection to Staff Data Request No. 4703, stating that the Gannett-Fleming  
20 format was "(a) overbroad, unduly burdensome and oppressive; (b) requests information  
21 that is not within the possession, custody or control of UtiliCorp; (c) requests information  
22 that is not available to UtiliCorp; and (d) would create undue burden and expense."

1 Q. Has UtiliCorp previously provided Staff retirement data in the  
2 Gannett-Fleming format?

3 A. Yes. UtiliCorp previously provided the data in the requested format in its  
4 last general rate case filing in 1997, Case No. ER-97-394. This is the mortality data  
5 ending with year 1996 referred to previously.

6 Q. Has the Company been aware that Staff uses the system of Gannett-  
7 Fleming programs to statistically study plant mortality data, to calculate depreciation  
8 rates and to determine theoretical reserve amounts?

9 A. Yes. The Company previously provided the information to Staff in the  
10 Gannett-Fleming format for Case No. ER-97-394.

11 Q. In your opinion, is it reasonable for the Company to expect that Staff will  
12 request the Company to provide current retirement data in the Gannett-Fleming format  
13 whenever the Company files a rate case?

14 A. Yes. The Company has been aware that the Staff uses the system of  
15 Gannett-Fleming programs. Further, the Company has historically provided Staff  
16 retirement data in the Gannett-Fleming format in previous rate proceedings prior to Case  
17 No. ER-97-394. UtiliCorp has sufficient experience with the Staff in rate case filings to  
18 know that Staff would request and want property record information to develop  
19 depreciation rates. In particular, Staff characteristically requests that companies provide  
20 mortality data from inception through the most recent year.

21 Q. Has the Company provided Staff any updated retirement data?

22 A. Yes. On September 5, 2001, the Company provided an additional year of  
23 mortality data; however, it was in an unusable format.

1           Then, on Monday, October 22, 2001, the Company provided Staff with  
2 plant data contained on an IBM tape cartridge but this cartridge does not have the  
3 mortality data in the Gannett-Fleming format and it does not have data from inception to  
4 the most current year. As of now, Staff has not received a digital file of the Company's  
5 mortality data from inception through year 2000 in the Gannett-Fleming format.

6           Q.   Has the Company effectively prevented Staff from conducting a  
7 depreciation study based on data that includes current mortality information?

8           A.   Yes it has. Staff does not have time to perform an analysis of the  
9 information requested from the Company.

10          Q.   Is the request for data in the Gannett-Fleming format a large burden for  
11 any company with a data processing staff?

12          A.   No. The mortality data requested is required to be retained by  
13 PSC-regulated companies. Staff's request for data in the Gannett-Fleming format is  
14 simply a request for the Company to submit an electronic digital file with the retained  
15 data in specific columns such that the Gannett-Fleming system of programs can read and  
16 use the mortality data. For data processing programmers, it is a simple project to place  
17 specific data in specific columns which the Company may have stored in different  
18 columns. Consider it as simple as moving your car from one parking spot to another  
19 specific parking spot.

20          Q.   Is there any other work the Company's data processing person would have  
21 to do?

22          A.   Possibly one other. Every system has a set of codes for retirements,  
23 transfers, new placements, etc. The Gannett-Fleming system of programs utilizes

1 column 10 for its system of codes. The Company programmer would have to incorporate  
2 a code conversion routine if the Company's system of codes is different than the Gannett-  
3 Fleming system of codes. Consider this as simple as changing all number 7's to  
4 number 3's.

5 Q. Can the last four years of mortality data, 1997 through 2000, be added to  
6 the mortality file that Staff has of the mortality events through 1996?

7 A. It can be done and it has been done. Experience shows that days and  
8 weeks of serious effort can be wasted when this is done. Accountants frequently find it  
9 necessary to make changes to previous years' data. When they make these changes  
10 adjusting entries are entered into their accounting files which are the basis of the  
11 mortality data files. When two separate mortality files are merged, the adjusting entries  
12 to the previous years' data are not included and the annual balances do not tie to the  
13 mortality events. Efforts to get mortality files correct when working with separate  
14 mortality files have proven to waste Staff and Company personnel's time. A full  
15 mortality file, from inception to current, should be downloaded from the Company's  
16 accounting data for each account submitted to Staff. In this way, if the Company's  
17 accounting books balance, the mortality file submitted to Staff will balance from year to  
18 year in the data submitted and the Staff and Company personnel will not waste valuable  
19 time correcting separate mortality files.

20 Q. Were depreciation rates an issue in the Company's last case?

21 A. Yes, in Case No. ER-97-394.

22 Q. Has depreciation been an issue recently before the Commission?

1           A.     Yes. As the Commission is aware, depreciation has been an issue in  
2 several recent rate cases.

3           Q.     Does this conclude your verified statement?

4           A.     Yes it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

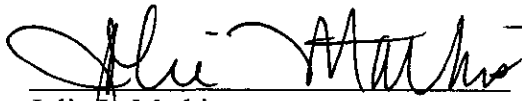
**OF THE STATE OF MISSOURI**

In the Matter of Tariff filing of )  
Missouri Public Service a Division of ) Case No. ER-2001-672  
UtiliCorp United Inc., to implement a )  
general rate increase for retail electric service )  
provided to customers in the Missouri service )  
area of Missouri Public Service. )

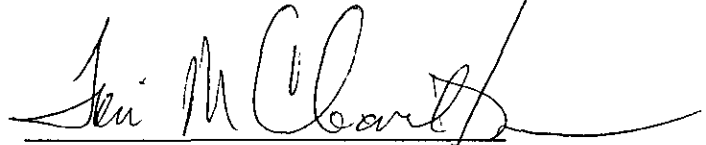
**AFFIDAVIT OF JOLIE L. MATHIS**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

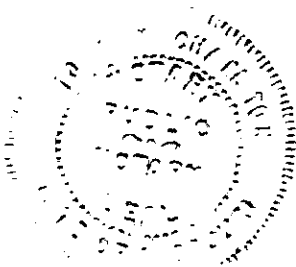
Jolie L. Mathis, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Verified Statement in question and answer form, consisting of 6 pages to be presented in the above case; that the answers in the foregoing Verified Statement were given by her; that she has 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.

  
Jolie L. Mathis

Subscribed and sworn to before me this 20 day of October 2001.



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





**Jolie Mathis**

**Schedule of Testimony Filings**

<u>Case No.</u>	<u>Company</u>
GA-96-130	Missouri Pipeline Company
TO-96-147	Alltel Missouri, Inc.
GA-97-11	Missouri Pipeline Co.
GM-97-70	Atmos Energy Corp. & United Cities Gas
GR-97-272	Associated Natural Gas
HR-99-245	St. Joseph Light & Power
WR-99-326	United Water Missouri
WR-2000-281	Missouri-American Water Company
WR-2000-282	Missouri-American Water Company
EC-2002-1	Union Electric Company, d/b/a AmerenUE