

Exhibit No. 17

Exhibit No.:
Issue: Management Expense
Witness: Steven P. Busser
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Evergy Missouri Metro and Evergy
Missouri West
Case No.: ER-2022-0129 / 0130
Date Testimony Prepared: July 13, 2022

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2022-0129 / 0130

REBUTTAL TESTIMONY

OF

STEVEN P. BUSSER

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

**Kansas City, Missouri
July 2022**

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Case No. ER-2022-0129 / 0130

I. INTRODUCTION

1

2 **Q. Please state your name and business address.**

3 A: My name is Steven P. Busser. My business address is 1200 Main, Kansas City, Missouri
4 64105.

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

6 A: I am employed by Evergy Metro, Inc. and serve as Vice President and Chief Accounting
7 Officer for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri Metro”),
8 Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”),
9 Evergy Metro, Inc. d/b/a Evergy Kansas Metro (“Evergy Kansas Metro”), and Evergy
10 Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central
11 (“Evergy Kansas Central”) the operating utilities of Evergy, Inc.

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

13 A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
14 (collectively, the “Company” or “Companies” or Evergy).

15 **Q: What are your responsibilities?**

16 A: I have executive responsibility for corporate accounting, energy accounting, Securities and
17 Exchange Commission (“SEC”) reporting, income taxes, and accounting systems.

1 **Q: Please summarize your education, experience and employment history.**

2 A: I graduated cum laude from the University of Texas at El Paso (“UTEP”) with a Bachelor
3 of Business Administration, with a concentration in Accounting. I have also taken several
4 graduate level classes with a focus in finance and am a Certified Public Accountant.

5 I have over 25 years of experience in accounting and finance leadership positions
6 in the electric utility industry. Prior to joining KCP&L in September 2014, I was Vice
7 President and Treasurer of El Paso Electric Company (“El Paso Electric”) and was
8 responsible for the treasury, risk management, facility services, fleet management and
9 supply chain management functions. In this role, I testified before the Federal Energy
10 Regulatory Commission and state regulatory agencies in Texas and New Mexico regarding
11 El Paso Electric’s public and private financing activities and other securities transactions
12 and various rate and renewable energy proceedings. Prior to becoming Vice President and
13 Treasurer, I served in positions of increasing responsibility at El Paso Electric including
14 Chief Risk Officer, Vice President Regulatory Affairs, and Assistant Chief Financial
15 Officer.

16 I started my professional career in public accounting at KPMG LLP after
17 graduating from UTEP. I also took several graduate courses at UTEP in Finance while
18 working at El Paso Electric.

19 **Q: Have you previously testified before the Missouri Public Service Commission**
20 **(“Commission”)?**

21 A: Yes.

1 **Q: What is the purpose of your rebuttal testimony?**

2 A: On behalf of Evergy Missouri Metro and Evergy Missouri West, I will respond to certain
3 portions of the direct testimony of Office of the Public Counsel (“OPC”) witness Cassidy
4 Weathers regarding expense report policies and practices in place for the Companies. I
5 will address Ms. Weathers review of Evergy’s management expense charges which begins
6 on p. 5 of her testimony.

7 **Q: Do you have any concerns with the testimony of Ms. Weathers?**

8 A: Yes, I have a few concerns. Most importantly, however, it does not appear that Ms.
9 Weathers’ testimony is yet complete. Accordingly, I do not anticipate being able to address
10 all the necessary aspects of her testimony as she points out in her testimony on page 5, lines
11 14-16 that her analysis is still continuing.

12 **Q: Please provide a summary of Evergy’s Policy on Reimbursement of Employee-**
13 **Incurred Business Expenses.**

14 A: Evergy has a robust corporate policy, E-201, that details the requirements to be followed
15 by employees for reimbursable expenses for business travel and other miscellaneous
16 expenses incurred by employees. Employee expenses are reported by the 15th of the month
17 and approved by the 24th of the month. The policy also lists requirements for receipts for
18 expenses over \$25, the responsibilities of approvers, the process for procuring business
19 related travel expenses including lodging, air travel, transportation, meals and other
20 miscellaneous expenses. Failure to adhere to this policy may subject an individual
21 employee to disciplinary action, up to and including termination.

1 **Q. Please summarize assertions made in Ms. Weathers' testimony.**

2 A: On p. 8 of her Direct Testimony, Ms. Weathers acknowledges that Evergy seems to be
3 actively trying to control charges charged to its ratepayers. She goes on to assert, however,
4 that management's actions are imprudent and that "Evergy needs to change its behavior
5 because no matter how many times the policy is revised, the imprudent charges will
6 continue if the behavior does not improve."

7 **Q: Do you agree with Ms. Weathers' assertions?**

8 A: In part yes and in part no. I agree with Ms. Weathers in that we have made substantial
9 improvements in our expense reporting and policies around expense reporting since 2016
10 including efforts to ensure that customers are not unduly burdened with inappropriate costs
11 and those actions are working. Ms. Weathers assertions that management is imprudent and
12 therefore our employee base will be at liberty to be imprudent, however, are simply
13 unfounded and untrue.

14 **Q: Can you please explain further?**

15 A: Evergy has worked to ensure that expense report charges represent legitimate business
16 expenses and as a default all officer expenses get recorded "below the line" and we do not
17 request recovery unless they are deemed to be recoverable expenses and request for
18 recovery should be made. The suggestion, however, that we have a pervasive non-
19 compliance issue by officers and this non-compliance influences the actions of non-
20 officers in their expense reports is not accurate. We have gone to great lengths to make
21 our personnel aware of the expense reimbursement policy and to remind them of their
22 responsibilities to comply with such. Each employee expense report is reviewed and
23 approved and there are clear guidelines for employees to follow when preparing their

1 expense reports. Internal audit conducts reviews of employee expense reports on a periodic
2 basis as well. We have no evidence that indicates there are anything more than very minor
3 issues with employee expense reporting.

4 **Q: Were there any other items in Ms. Weathers' testimony that you would like to**
5 **address?**

6 A: Yes. I will address them below.

7 **Q: What does Ms. Weathers say about reimbursement of alcohol purchased at legitimate**
8 **business meetings?**

9 A: Ms. Weathers states on p.9 of her testimony that she does "not believe that any alcohol
10 purchases should be charged to ratepayers, preapproved or otherwise".

11 **Q: Have you addressed this issue in any previous dockets before the Commission?**

12 A: Yes. In Case No. ER-2016-0285, in my Rebuttal Testimony, page 11, lines 7-11 I
13 addressed this issue when I said "If an employee is at a dinner conducting legitimate
14 Company business and alcohol is purchased, this is not viewed as an "authorized event"
15 which requires preapproval. Rather, it may be viewed as a legitimate business expense,
16 incurred during the performance of the employee's responsibilities that will require
17 approval by the employee's approver (in most cases, the employee's supervisor)."

18 **Q: Has your position or the policy at Evergy changed since your testimony in that**
19 **docket?**

20 A: No. And further, Ms. Weathers' belief as to the propriety of alcohol purchases appears to
21 be her own and unsupported by any Company policy or Commission precedent.

1 **Q: Ms. Weathers also discusses in her testimony the process that is utilized by the CEO**
2 **to obtain approval of expense reports submitted by the CEO. Do you agree with her**
3 **proposal?**

4 A: Ms. Weathers recommends in her testimony that CEO's expenses be reviewed and
5 approved by the Evergy Board of Directors ("BOD"). In my view, this is an unnecessary
6 administrative burden that would neither result in customer savings nor investor benefit.
7 The BOD has properly delegated certain authorities to the CEO and entrusted him to lead
8 the company. The CEO is aware of the requirements that must be complied with when
9 reporting and seeking reimbursement for legitimate business expenses. Evergy has not
10 experienced any issues related to CEO employee expense reimbursement. Furthermore,
11 the BOD is aware of the process that is utilized to approve CEO expenses and if there were
12 ever an issue with a CEO expense reimbursement that the BOD requested to review or
13 otherwise required board review, the leadership culture at Evergy would facilitate those
14 steps. The BOD is also apprised on the results of audits of officer, including the CEO, and
15 employee expense reports conducted by internal audit annually and bi-annually,
16 respectively. BOD review and approval of the CEO expense report, especially given they
17 are not employees of the Company and do not have access to our expense reporting system,
18 is unnecessary and will create inefficiency in an administrative process that would provide
19 no benefit to customers.

20 **Q: Ms. Weathers cites ground transportation expenses incurred by Kirkland Andrews.**
21 **Can you please describe that specific example that was discussed in her testimony?**

22 A: Yes. Ms. Weathers describes a cost comparison that she made when Mr. Andrews utilized
23 a car service as compared to his utilization of an Uber for a similar trip.

1 **Q: Can you please provide some background on transportation expenses such as these?**

2 A: Yes. I'll start out by saying that the amount of an expense that is reimbursed to an
3 employee does not in and of itself make it imprudent as asserted by Ms. Weathers in her
4 analysis. There are several factors that go into the amount of an expense that is incurred
5 by an employee. The amount of an expense that is incurred is affected by several factors
6 including the availability of various options to conduct the travel, the time of day the travel
7 is made, the availability or not of the most efficient route to travel given traffic issues, the
8 number of trips that are being charged at a given time, and the weather that exists when
9 travel is incurred. Specifically, the comparison made by Ms. Weathers comparing an Uber
10 cost to a transportation service cost is flawed in that there are often times when the
11 transportation service invoices Mr. Andrews for several trips on a single invoice where the
12 Uber trips are for single trips. To deem expenses imprudent based on a simple numbers
13 analysis that ignores several factors that could be of significance towards driving to a
14 conclusion is not a process that the Commission should use to disallow a cost or deem it
15 imprudent.

16 **Q: Ms. Weathers states that Mr. Caisley did not provide itemized receipts for two**
17 **dinner. What is your perspective on these examples?**

18 A: E-201, Evergy's Policy on Reimbursement of Employee-Incurred Business Expenses, does
19 not require itemized receipts for meals. Itemized receipts are required for airline expenses
20 and lodging. The reporting of Mr. Caisley's business expense in the situation cited by Ms.
21 Weathers is in compliance with the policy.

1 **Q: Ms. Weathers discusses a couple of other items in her testimony on page 6, lines 21**
2 **through 31 related to “personal”, “duplicate personal deduction from October**
3 **expenses” and receipts not being submitted for Harvard Business Review, Kansas**
4 **City Business Journal and Gates BBQ. Can you please describe what is happening**
5 **with those items?**

6 A: Yes. These items are discussed below.

- 7 ▪ Items are deemed “personal” when the company card is used by an employee on
8 accident or as a result of an immediate need. These are rare occurrences and given
9 they are personal our policy does not require a receipt. The company does,
10 however, deduct these items from a future employee paycheck and thereby receives
11 reimbursement for these items. These items noted by Ms. Weathers have been
12 properly accounted for as a legitimate business expense or having been reimbursed
13 by the employee through a paycheck deduction.
- 14 ▪ As for the receipts for the Harvard Business Journal, the Kansas City Business
15 Journal and Gates BBQ I have verified that those were properly submitted and
16 properly accounted for as legitimate business expenses.

17 **Q: Do you have any final thoughts?**

18 A: Ms. Weathers cites very limited examples in her testimony about items that she has
19 reviewed and then goes on to making broad statements that the Commission should
20 disallow prudently incurred business expenses. Everygy has performed its own internal
21 review of the expenses that it is seeking to recover as legitimate business expenses and
22 further believes that these expenses are legitimate and should be recovered.

1 Q: Does that conclude your testimony?

2 A: Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's Request for Authority to) Case No. ER-2022-0129
Implement A General Rate Increase for Electric)
Service)


In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West's Request for Authority to) Case No. ER-2022-0130
Implement A General Rate Increase for Electric)
Service)

AFFIDAVIT OF STEVEN P. BUSSER

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

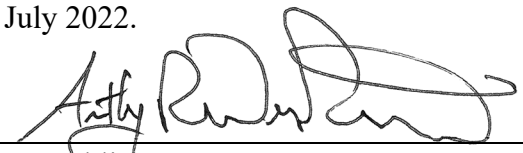
Steven P. Busser, being first duly sworn on his oath, states:

1. My name is Steven P. Busser. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Vice President and Chief Accounting Officer.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of nine (9) 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 13th day of July 2022.



Notary Public

My commission expires: 4/26/2025

