

Exhibit No.:  
Issues: Revenue Requirement  
Witness: Thomas M. Imhoff  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Direct Testimony  
Case No.: HR-2011-0241  
Date Testimony Prepared: August 8, 2011

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**DIRECT TESTIMONY**

**OF**

**THOMAS M. IMHOFF**

**VEOLIA ENERGY KANSAS CITY, INC**

**CASE NO. HR-2011-0241**

**Jefferson City, Missouri  
August 2011**

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

In the Matter of Veolia Energy Kansas )  
City, Inc. for Authority to File Tariffs to )  
Increase Rates )

Case No. HR-2011-0241

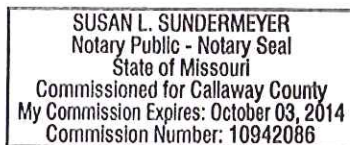
**AFFIDAVIT OF THOMAS M. IMHOFF**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Thomas M. Imhoff, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 3 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
Thomas M. Imhoff

Subscribed and sworn to before me this 5<sup>th</sup> day of August, 2011.



  
Notary Public

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**DIRECT TESTIMONY**

**OF**

**THOMAS M. IMHOFF**

**VEOLIA KANSAS CITY, INC**

**CASE NO. HR-2011-0241**

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**DIRECT TESTIMONY**

**OF**

**THOMAS M. IMHOFF**

**VEOLIA KANSAS CITY, INC**

**CASE NO. HR-2011-0241**

Q. Please state your name and business address.

A. Thomas M. Imhoff, P.O. Box 360, Jefferson City, Missouri 65102.

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

A. I am the Rate & Tariff Examination Supervisor in the Energy Department of the Missouri Public Service Commission (Commission).

Q. Please describe your educational background.

A. I attended Southwest Missouri State University at Springfield, Missouri. In May 1981, I received a Bachelor of Science degree in Business Administration, with a major in Accounting. In May 1987, I successfully completed the Uniform Certified Public Accountant (CPA) examination and subsequently received the CPA certificate. I am currently licensed as a CPA in the State of Missouri.

Q. What has been the nature of your duties with the Commission?

A. From October 1981 to December 1997, I worked in the Accounting Department of the Commission, where my duties consisted of directing and assisting with various audits and examinations of the books and records of public utilities operating within the State of Missouri under the jurisdiction of the Commission. On January 5, 1998, I assumed the position of Regulatory Auditor IV in the Gas Tariffs/Rate Design Department, where my duties consisted of analyzing applications, reviewing tariffs and making

1 recommendations based upon those evaluations. On August 9, 2001, I assumed my current  
2 position of Rate & Tariff Examination Supervisor in the Energy Tariffs/Rate Design  
3 Department, where my duties consist of directing Commission Staff within the Department,  
4 analyzing applications, reviewing tariffs, and making recommendations based upon my  
5 evaluations and the evaluations performed by the Energy Tariffs/Rate Design Staff.

6 Q. Have you previously filed testimony before this Commission?

7 A. Yes. A list of cases in which I have filed testimony before this Commission is  
8 attached as Schedule 1.

9 Q. With reference to Case No. HR-2011-0241, have you participated in the  
10 Commission Staff's (Staff) audit of Veolia Kansas City, Inc. (Veolia Kansas City or  
11 Company) concerning its request for a rate increase in this proceeding?

12 A. Yes, I have, with the assistance of other members of the Staff. I, along with  
13 Staff expert Cary Featherstone, of the Commission's Utility Services Division, support the  
14 Staff's recommendation to the Commission of the overall revenue requirement calculation.

15 **EXECUTIVE SUMMARY**

16 Q. What is the purpose of your direct testimony?

17 A. The purpose of my direct testimony is to provide an overview of the Staff's  
18 position relating to weather normalization and fuel expense. The sections of Staff's Report  
19 relating to these issues were prepared by Staff members in the Utility Operations Division. I  
20 supervised the preparation or was involved in the development of these sections.

21 **WEATHER NORMALIZATION**

22 Q. What is the purpose of Staff's weather normalization?

1           A.     The purpose of Staff's weather normalization is to determine what level of  
2 revenues Veolia Kansas City could expect in a year with "normal weather" given that weather  
3 for any particular year is unique and unlikely to be repeated. In order to set reasonable rates,  
4 Staff normalizes customer usage using a 30-year weather pattern. This normal measure of  
5 weather provides the basis for Staff's computation of Veolia Kansas City's revenues and  
6 associated fuel costs. Staff expert Seoungjoun Won provided the Staff with a 30-year normal  
7 level weather pattern. Staff expert Kim Cox took the 30-year normal from Mr. Won and  
8 weather normalized the usages per customer.

9     **FUEL EXPENSE**

10          Q.     What portion of the expense adjustments relating to fuel has the Operations  
11 Staff computed?

12          A.     The various inputs computed by the Operations Staff include distribution  
13 system losses, station losses and auxiliaries, plant heat rate, fuel mix, fuel heat rate for coal,  
14 coal handling, coal handling and disposal factor, and ash handling and the disposal per ton.

15          Q.     Please identify the Staff expert responsible for addressing each area in the  
16 Report.

17          A.     The Staff expert for each listed issue is as follows:

<u>Issue</u>	<u>Staff Expert</u>
Weather Normalization	Seoungjoun Won
Weather Normalization per Customer	Kim Cox
Fuel Expense	Daniel I. Beck

22          Q.     Does this conclude your direct testimony?

23          A.     Yes it does.

VEOLIA ENERGY KANSAS CITY, INC  
CASE NO. HR-2011-0241

Summary of Cases in which prepared testimony was presented by:  
THOMAS M. IMHOFF

<u>Company Name</u>	<u>Case No.</u>
Terre-Du-Lac Utilities	SR-82-69
Terre-Du-Lac Utilities	WR-82-70
Bowling Green Gas Company	GR-82-104
Atlas Mobilfone Inc.	TR-82-123
Missouri Edison Company	GR-82-197
Missouri Edison Company	ER-82-198
Great River Gas Company	GR-82-235
Citizens Electric Company	ER-83-61
General Telephone Company of the Midwest	TR-83-164
Missouri Telephone Company	TR-83-334
Mobilpage Inc.	TR-83-350
Union Electric Company	ER-84-168
Missouri-American Water Company	WR-85-16
Great River Gas Company	GR-85-136
Grand River Mutual Telephone Company	TR-85-242
ALLTEL Missouri, Inc.	TR-86-14
Continental Telephone Company	TR-86-55
General Telephone Company of the Midwest	TC-87-57
St. Joseph Light & Power Company	GR-88-115
St. Joseph Light & Power Company	HR-88-116
Camelot Utilities, Inc.	WA-89-1
GTE North Incorporated	TR-89-182
The Empire District Electric Company	ER-90-138
Capital Utilities, Inc.	SA-90-224
St. Joseph Light & Power Company	EA-90-252
Kansas City Power & Light Company	EA-90-252
Sho-Me Power Corporation	ER-91-298
St. Joseph Light & Power Company	EC-92-214
St. Joseph Light & Power Company	ER-93-41
St. Joseph Light & Power Company	GR-93-42
Citizens Telephone Company	TR-93-268
The Empire District Electric Company	ER-94-174
Missouri-American Water Company	WR-95-205
Missouri-American Water Company	SR-95-206
Union Electric Company	EM-96-149
The Empire District Electric Company	ER-97-81
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GR-98-374
Laclede Gas Company	GR-99-315
Atmos Energy Corporation	GM-2000-312
Ameren UE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GT-2001-329

Laclede Gas Company	GR-2001-629
Missouri Gas Energy	GT-2003-0033
Aquila Networks – L&P	GT-2003-0038
Aquila Networks – MPS	GT-2003-0039
Southern Missouri Gas Company, L.P.	GT-2003-0031
Fidelity Natural Gas, Inc.	GT-2003-0036
Atmos Energy Corporation	GT-2003-0037
Laclede Gas Company	GT-2003-0032
Union Electric Company d/b/a Ameren UE	GT-2003-0034
Laclede Gas Company	GT-2003-0117
Aquila Networks MPS & L&P	GR-2004-0072
Missouri Gas Energy	GR-2004-0209
Missouri Pipeline Company & Missouri Gas Company	GC-2006-0491
Atmos Energy Corporation	GR-2006-0387
Laclede Gas Company	GR-2007-0208
Missouri Gas Utility Company	GR-2008-0060
TriGen-Kansas City Energy Group	HR-2008-0300
Laclede Gas Company	GT-2009-0056
Missouri Gas Energy	GR-2009-0355
Empire District Gas Company	GR-2009-0434
Atmos Energy Corporation	GR-2010-0192
Laclede Gas Company	GR-2010-0171
Union Electric Company d/b/a Ameren UE	GR-2010-0363