

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
SURREBUTTAL TESTIMONY OF J. MATT TRACY
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NOS. ER-2004-0034 AND HR-2004-0024 (CONSOLIDATED)**

1 Q. Please state your name and business address.

2 A. My name is J. Matt Tracy and my business address is 10700 East 350 Highway, Kansas
3 City, Missouri, 64138.

4 Q. Are you the same J. Matt Tracy who provided direct and rebuttal testimony in this case
5 on behalf of Aquila, Inc. (“Aquila” or “Company”)?

6 A. Yes.

7 Q. What is the purpose of your surrebuttal testimony in this case before the Missouri Public
8 Service Commission (“Commission”)?

9 A. I am responding to the rebuttal testimony of Commission Staff witness William L.
10 McDuffey regarding the special meter reading charge, and the temporary meter set
11 charge.

12 Q. What is your response regarding the special meter reading charge?

13 A. Mr. McDuffey testified that in response to Staff Data Request Number 190, the
14 Company provided no support for these charges, and thus Staff cannot recommend the
15 change. However, on a related request, Staff Data Request Number 182, the Company
16 provided a detailed cost justification for the reconnect fee charge, a proposal that the
17 “Staff supports.” The only difference between the two costs is the time spent removing
18 the seal and turning the meter on, versus reading the meter. The cost of the reconnect

1 service, excluding the cost of removing the seal and turning on the meter, is \$22.81
2 during regular hours, and \$46.00 during the remaining hours. Adding in the cost of
3 reading the meter would put both costs near, or over, the \$30 and \$50 charges we
4 proposed. The additional benefit of simplified Company administration and customer
5 understanding by having \$30 and \$50 being the same charges for a number of similar
6 services also argues in favor of the Company's position.

7 Q. What is your response regarding the temporary meter set charge?

8 A. Mr. McDuffey recommends that "for the L&P division, the Company initiate a job
9 cost study." This overlooks the minimal revenue L&P collects from temporary meter
10 set charges compared to MPS, or compared to the cost of a study. In response to Staff
11 Data Request 341, Company informed staff that MPS recorded over \$300,000 in
12 temporary meter set charges for the 12 months ended 9/30/03 in FERC account 451,
13 and L&P recorded less than \$10,000. Standardizing on the MPS charge for temporary
14 meter sets will simplify Company administration, and minimize costs to customers by
15 avoiding the cost of a job cost study and instead using a charge approved for a
16 division recording over 30 times as much for the same service.

17 Q. Does this conclude your surrebuttal testimony?

18 A. Yes it does.