

FILED³

DEC 20 2006

Missouri Public
Service Commission

Exhibit No.:

Issues: Class Cost of Service

Witness: Thomas M. Imhoff

Sponsoring Party: MO PSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: GR-2006-0387

Date Testimony Prepared: October 31, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

THOMAS M. IMHOFF

ATOMS ENERGY CORPORATION

CASE NO. GR-2006-0387

Jefferson City, Missouri

October 2006

Staff Exhibit No. 119
Case No(s). GR-2006-0387
Date 11-30-06 Rptr PF

1
2
3
4
5
6
7
8
9
10
11
12

TABLE OF CONTENTS
REBUTTAL TESTIMONY
OF
THOMAS M. IMHOFF
ATMOS ENERGY CORPORATION
CASE NO. GR-2006-0387

13 **EXECUTIVE SUMMARY** 1
14 **WEATHER NORMALIZATION ADJUSTMENT** 1
15 **PGA DISTRICT CONSOLIDATION**..... 2
16 **CLASS COST OF SERVICE**..... 2
17 **NORANDA’S CONFIDENTIAL RATE SCHEDULE PROPOSAL**..... 3

1
2
3
4
5
6
7
8
9
10
11
12

REBUTTAL TESTIMONY

OF

THOMAS M. IMHOFF

ATMOS ENERGY CORPORATION

CASE NO. GR-2006-0387

13 Q. Please state your name and business address.

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

15 Q. Are you the same Thomas M. Imhoff who filed direct testimony in this case?

16 A. Yes I am.

EXECUTIVE SUMMARY

17 Q. What is the nature of your Rebuttal Testimony as it relates to this case?

18 A. My Rebuttal Testimony will address certain aspects of Atmos Energy Inc.
19 (Atmos or Company) witness Gary L. Smith's Direct Testimony on the "Weather
20 Normalization Adjustment" Clause, and Atmos witness Pat Childers on the Purchased Gas
21 Adjustment (PGA) consolidation. I will also address the Class Cost of Service Study
22 (CCOS) direct testimonies of Barbara Meisenheimer of the Office of the Public Counsel
23 (OPC) and Don Johnstone of Noranda. I will also address the confidential tariff rate proposal
24 of Noranda witness Johnstone.

25 **WEATHER NORMALIZATION ADJUSTMENT**

26 Q. Have you reviewed the WNA proposal filed by Company witness Smith?

27 A. Yes I have.

28 Q. Do you agree with Atmos' proposal?

Rebuttal Testimony of
Thomas M. Imhoff

1 Atmos is a completely different company from ANG, and the use of current cost and revenue
2 data should be used when conducting a CCOS.

3 Q. Does Staff have any comments regarding the direct testimony of OPC witness
4 Barbara Meisenheimer?

5 A. Yes. Over half of the difference between Staff's CCOS and OPC witness
6 Meisenheimer's CCOS is related to the mains allocator. However, since the rebuttal
7 testimony of Staff witness Steve Rackers indicates that a zero increase in revenue
8 requirement is appropriate, I recommend that there be no shifts between classes in this case as
9 proposed by Atmos.

10 Q. Are there other reasons for no shifts between the rate classes?

11 A. Yes. The proposed consolidation of districts and rate design changes would
12 have rate impacts within the classes even without shifts in class revenue responsibilities. The
13 additional rate shifts between the classes would result in further impacts, and therefore, a zero
14 increase in revenue requirement would support no class revenue shifts.

15 **NORANDA'S CONFIDENTIAL RATE SCHEDULE PROPOSAL**

16 Q. Does Staff agree with Noranda witness Johnstone's proposal to establish a
17 confidential rate schedule for Noranda?

18 A. No. Staff does not support a confidential rate schedule. Given the zero
19 revenue increase as described in Staff witness Steve Rackers' rebuttal testimony, the Large
20 Volume Service/ Flexible Rates for Large Volume Transportation customers should remain
21 the same.

22 Q. Does this conclude your rebuttal testimony?

23 A. Yes it does.