

Exhibit No.:	
Issues:	Miscellaneous Tariff Issues
Witness:	William L. McDuffey
Sponsoring Party:	MO PSC Staff
Type of Exhibit:	Direct Testimony
Case No.:	ER-2001-672
Date Testimony Prepared:	December 6, 2001

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

WILLIAM L. MCDUFFEY

**UTILICORP UNITED, INC.
D/B/A MISSOURI PUBLIC SERVICE**

CASE NO. ER-2001-672

**Jefferson City, Missouri
December 2001**

FILED³

DEC 6 2001

**Missouri Public
Service Commission**

1 **DIRECT TESTIMONY**
2 **OF**
3 **WILLIAM L. MCDUFFEY**
4 **UTILICORP UNITED, INC.**
5 **d/b/a MISSOURI PUBLIC SERVICE**
6 **CASE NO. ER-2001-672**

7
8 Q. Please state your name and business address.

9 A. William "Mack" L. McDuffey, 200 Madison Street, Jefferson City,
10 Missouri 65101.

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

12 A. I am employed by the Missouri Public Service Commission (Commission)
13 as a Rate & Tariff Examiner in the Energy Department of the Utility Operations Division.

14 Q. How long have you been employed by the Commission?

15 A. I have been employed by the Commission since October, 1978.

16 Q. Have you previously testified before this Commission?

17 A. Yes, I have filed expert testimony in thirteen contested cases. In addition,
18 I have been responsible for preparing Staff's recommendations in memorandum form in
19 numerous tariff filings and tariff cases.

20 Q. Please describe your experience, education and qualifications.

21 A. I have over 20 years of experience working with electric, gas, and steam
22 utility tariff issues. I review filed tariffs for technical and clerical changes, work with
23 regulated electric and steam utilities on rules and regulations revisions, address customer

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1 complaints, compile statistical data, respond to document requests, prepare records for
2 microfilming, update various internal Commission records and maps, and verify service
3 area descriptions in territorial agreements cases and present testimony in formal
4 proceedings before the Commission.

5 In 1971, I received a Bachelor of Science degree in Business Administration from
6 Southwestern State College of Weatherford, Oklahoma. Upon graduation, I was
7 employed for one year by Caddo Electric Cooperative of Binger, Oklahoma, in the
8 Engineering Department. I then was employed by Oklahoma Gas and Electric Company
9 of Oklahoma City, Oklahoma, in the position of Engineering Technician for five years
10 prior to my employment with the Commission.

11 Q. What is the purpose of your direct testimony in this case?

12 A. I will present the Staff's recommendation that UtiliCorp United, Inc.
13 (Company) be required to file a Description of Territory section for its Missouri Public
14 Service Division (MPS) electric tariff. In my direct testimony I will also address the
15 following miscellaneous tariff issues proposed by the Company in its direct testimony:

- 16 1. Connecting or Reconnecting Charge – Tariff Sheet No. R-15 and R-39
- 17 2. Special Meter Reading Appointments – R-28 and R-39
- 18 3. Temporary, Self Contained Meter Set, Residential Construction – R-39
- 19 4. Excess Service Line Length – R-39

20 Q. Please address the reconnection charges proposed by the Company.

21 A. MPS proposes to increase the reconnection charges on Tariff Sheet Nos.
22 R-15 (2.07 A.) and R-39. MPS's present charge for reconnection during regular
23 business hours is \$10.00. The proposed charge is increased to \$30.00. MPS's present

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1 charge for reconnections made after regular business hours is \$25.00. The proposed
2 charge is increased to \$55.00.

3 Q. What is Staff's position regarding MPS's reconnection charge?

4 A. I have reviewed the Company's computations and accept the expenses
5 used for the calculation. The tabulation of expenses incurred by the Company to perform
6 a regular business hours reconnection totaled \$29.38. This is close to the \$30.00 charge
7 proposed by MPS. The tabulation of expenses incurred by the Company to perform after
8 regular business hours reconnection totaled \$56.66. This is close to the \$55.00 charge
9 proposed by MPS.

10 I have reviewed the reconnection charges of the other regulated electric
11 companies in the state, and found the range of reconnection charges to be from \$10.00 to
12 \$30.00 during regular business hours and from \$10.00 to \$50.00 for after regular business
13 hours currently. MPS's current regular business hours reconnection charge of \$10 has
14 been in effect since December 13, 1972. MPS's current after regular business hours
15 reconnection charge of \$25 has been in effect since June 6, 1975.

16 After careful review and consideration of MPS's proposal, I recommend that the
17 reconnection charges correspond to actual costs incurred by the Company and be
18 expressed in whole dollars for amounts in excess of \$5.00. MPS's costs for reconnection
19 during regular business hours equated to \$29.38, therefore, I recommend MPS's proposed
20 \$30.00 reconnection charge be approved. MPS's costs for reconnection after regular
21 business hours equated to \$56.66; therefore, I recommend \$57.00 as the after regular
22 business hours reconnection charge. It is important that these reconnection charges
23 reflect MPS's cost of performing these services. The individual customer causing the

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1 Company to incur these expenses should be responsible for the associated costs.
2 However, I do not object to limiting the proposed charges, as proposed by the Company,
3 based on the customer impact of the increased charges.

4 Q. Please describe MPS's proposal relating to the excess cost of a meter
5 reading by special appointment?

6 A. MPS proposes to increase the charge for the excess cost of a meter reading
7 by special appointment on Tariff Sheet Nos. R-28 (6.04 C.) and R-39 from \$5.00 to
8 \$20.00 for normal business hours, and from \$10.00 to \$30.00 for after normal business
9 hours.

10 Q. What is Staff's position relating to these tariff proposals?

11 A. Staff has reviewed the Company's computations and accepts the expenses
12 used for the calculation. The tabulation of expenses incurred by the Company to perform
13 a meter reading other than normal read date totaled \$21.28. This is close to the \$20.00
14 charge proposed by MPS. The tabulation of expenses incurred by the Company to
15 perform the meter reading outside of normal business hours totaled \$28.48. This is close
16 to the \$30.00 charge proposed by MPS.

17 Only one other regulated electric utility in the state has a special appointment
18 meter read charge. After careful review and consideration of MPS's proposal, I
19 recommend that these charges reflect actual expenses incurred by the Company for these
20 services. MPS's expenses for meter reading other than the normal read date equated to
21 \$21.28; therefore, I recommend \$22.00 as the current charge for the normal read date.

22 MPS's expenses for meter reading outside of normal business hours equated to
23 \$28.48; therefore, I recommend \$29.00 as the current charge for after hours normal read

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1 date. It is important that these special meter read charges reflect MPS's cost of
2 performing these services. The individual customers causing the Company to incur these
3 expenses should be responsible for the associated costs. However, I do not object to
4 limiting the proposed charges, as proposed by the Company, based on the customer
5 impact of the increased charges.

6 Q. Please describe MPS's proposal relating to an increase in the Temporary,
7 10 Amp, Self Contained Meter Set, Residential Construction Tariff.

8 A. MPS proposes to increase the charge for Temporary, 10 Amp, Self
9 Contained Meter Set, Residential Construction with rule on Tariff Sheet No. R-37.4
10 (7.06) and charge amount stated on R-39 from \$100.00 to \$116.87.

11 Q. What is Staff's position relating to this tariff proposal?

12 A. The Company proposed to increase the tariff rate by a percentage of
13 approximately 17% to determine the proposed charge of \$116.87. I disagree with the
14 method of increasing the charge. Temporary residential construction meter installation
15 and removal is not a revenue source for the Company's support but a service provided
16 until permanent service can be established.

17 First, I recommend the Company initiate a job cost study to determine the
18 expenses actually incurred by the Company to provide a temporary residential
19 construction meter installation on the premise of a potential customer. Secondly, I
20 recommend that the charge correspond to the expenses actually incurred by the Company
21 for this service and be expressed in whole dollars. This recommended method of
22 determining the charge allows MPS to be reimbursed for the cost of performing the

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1 temporary residential construction meter installation and removal by the customer
2 requesting the service.

3 Q. Please describe MPS's proposal to increase the charge for Excess Service
4 Line Length?

5 A. MPS proposes to increase the charge for Excess Service Line Length on
6 Tariff Sheet No. R-39 as described on Tariff Sheet No. R-37.6 (7.11 A.2.) and charge
7 amount stated from \$2.52 to \$2.95.

8 Q. What is Staff's position relating to this tariff proposal?

9 A. The Company proposed to increase the tariff rate by a percentage of
10 approximately 17% to determine the proposed charge of \$2.95. I disagree with the
11 method of increasing the charge. Excess service line length is not a revenue source for
12 the Company's support but an added construction expense included in the Company's
13 line extension rule.

14 I recommend the Company initiate a job cost study to determine the expenses
15 actually incurred by the Company to provide the excess service line length to the
16 potential customer. I also recommend that the charge equate to the expenses actually
17 incurred by the Company for this service to the nearest dollar. This recommended
18 method of determining the charge allows MPS to be reimbursed for the cost of
19 performing the installation of the excess service line length, by the customer requesting
20 service.

21 Q. Did you calculate the effect of implementing these recommendations on
22 the other revenue component of MPS's revenues?

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1 A. No. The Staff intends to include this adjustment in the true-up phase of
2 this case.

3 Q. Is Staff presenting any testimony pertaining to MPS's territory
4 description?

5 A. Yes. I am presenting the Staff's proposal to add a Company's
6 "Description of Territory" section to its tariff in a congressional township format.

7 Q. Does MPS have a Description of Territory section that lists the service
8 areas in its electric tariff?

9 A. No.

10 Q. Is MPS required to have a Description of Territory section in its electric
11 tariff?

12 A. Yes. PSC Rule 4 CSR 240-20.010 (10)(B) mandates that a Description of
13 Territory section be present in a Company's tariffs.

14 Q. What type of territory description is Staff proposing for MPS?

15 A. Staff is proposing the use of the congressional township format.

16 Q. What is the congressional township format?

17 A. The congressional township format specifies each township, range and
18 section of land that is included in the Company's service area. This may be done by
19 listing each area served or by including a map marked with the service area boundaries of
20 the Company.

21 Q. Why is the congressional township format preferred to a listing of counties
22 and communities?

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1 A. It is essential to accurately determine if a specific parcel of land is in a
2 company's service area, and for the determination of service areas involved in territorial
3 agreements. The congressional township format provides distinct boundaries for the area
4 currently served by the utility.

5 Q. Why is the congressional township format preferred to a metes and bounds
6 description?

7 A. The metes and bounds description is a more precise land area description
8 with its detailed distances and degrees. It is very hard to read and follow in trying to
9 determine if you are inside or outside the boundary line being described. The
10 congressional township format allows the reader whether it be the Commission, utility,
11 customers or the general public to easily determine if they are within or outside the
12 utility's service area. The metes and bounds description can be used where exactness is
13 needed to answer the question.

14 Q. Do the other electric utilities in Missouri use the congressional township
15 format for their territorial descriptions?

16 A. Three of the state's six regulated electric companies have already
17 converted to this format and a fourth is in the process of conversion.

18 Q. What is your recommendation to the Commission?

19 A. I recommend that the Commission order MPS to add a Description of
20 Territory section to their electric tariff and to file tariff sheets on or before August 6,
21 2002 to include in its added Description of Territory section, a description of its Missouri
22 service area in congressional township format. The Staff commits to work with the
23 Company to achieve this task.

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1 Q. Does this conclude your direct testimony?

2 A. Yes, it does.

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

In The Matter Of The Tariff Filing Of)
Missouri Public Service (MPS) A Division)
Of UtiliCorp United Inc., To Implement A)
General Rate Increase For Retail Electric)
Service Provided To Customers In The)
Missouri Service Area Of MPS)

Case No. ER-2001-672

AFFIDAVIT OF WILLIAM L. MCDUFFEY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

William L. McDuffey, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct testimony in question and answer form, consisting of 9 pages of Direct testimony to be presented in the above case, that the answers in the foregoing 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.



William L. McDuffey
William L. McDuffey

Subscribed and sworn to before me this 5th day of December, 2001.

Dawn L. Hake
Notary Public

My commission expires Jan 9, 2005

DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan 9, 2005