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Missouri Public
Service Commission

Exhibit No.:

Issues: Tariff Issues

Witness: William L. McDuffey

Sponsoring Party: MO PSC Staff

Type of Exhibit: Direct Testimony

Case No.: ER-2006-0315

Date Testimony Prepared: June 30, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

WILLIAM L. McDUFFEY

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2006-0315

Jefferson City, Missouri

June 2006

STACK Exhibit No. 64
Case No(s). ER-2005-0315
Date 9-05-06 Rptr PF

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of The Empire District Company of)
Joplin, Missouri for authority to file tariffs)
increasing rates for electric service provided to)
customers in Missouri service area of the Company.)

Case No. ER-2006-0315

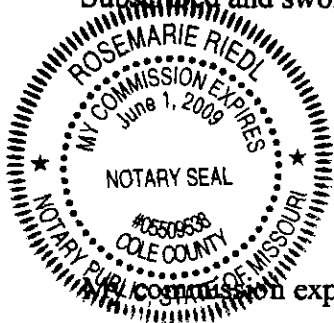
AFFIDAVIT OF WILLIAM L. MCDUFFEY

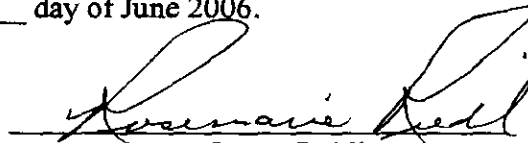
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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 6 pages 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 and correct to the best of his knowledge and belief.


William L. McDuffey

Subscribed and sworn to before me this 29th day of June 2006.




Notary Public

Notary Public commission expires June 1, 2009

TABLE OF CONTENTS
DIRECT TESTIMONY
OF
WILLIAM L. McDUFFEY
THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2006-0315

EXPERIMENTAL GREEN POWER SCHEDULE.....	2
STREET LIGHTING SERVICE CHARGE	3
MISCELLANEOUS TARIFF ISSUES.....	4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
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28
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DIRECT TESTIMONY
OF
WILLIAM L. McDUFFEY
THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2006-0315

Q. Please state your name and business address.

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

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

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

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

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

Q. Have you previously testified before this Commission?

A. Yes, I have filed expert testimony in sixteen cases as shown on Schedule 1. In addition, I have been responsible for preparing Staff recommendations in memorandum form in numerous tariff filings and tariff cases.

Q. Please summarize your direct testimony in this case.

A. In my direct testimony I address The Empire District Electric Company's ("Empire" or "Company") proposed removal of its Experimental Green Power Schedule, its addition of a Street Lighting Service Charge and Miscellaneous Tariff Issues applicable to the electric operations of Empire.

Q. Please describe your experience, education and qualifications.

Direct Testimony
of William L. McDuffey

1 A. I have over 27 years of experience working with electric, gas, and steam
2 utility tariff issues. I review filed tariffs for technical and clerical changes, work with
3 regulated electric and steam utilities on the revision of rules and regulations, address
4 customer complaints, compile statistical data, respond to document requests, prepare
5 records for microfilming, update various internal Commission records and maps, verify
6 service area descriptions in territorial agreement cases and present testimony in formal
7 proceedings before the Commission.

8 In 1971, I received a Bachelor of Science degree in Business Administration from
9 Southwestern State College of Weatherford, Oklahoma. Upon graduation, I worked one
10 year for Caddo Electric Cooperative of Binger, Oklahoma, in the Engineering
11 Department. I assumed an Engineering Technician position with Oklahoma Gas and
12 Electric Company of Oklahoma City, for five years prior to my employment with the
13 Commission.

14 **EXPERIMENTAL GREEN POWER SCHEDULE**

15 Q. Please describe the Company's proposed Experimental Green Power
16 Schedule, Rider EGP removal.

17 A. The Company is proposing to remove the rider and leave the tariff sheets
18 (P.S.C. Mo. No. 5, Section 4, Sheet No. 2 and Sheet No. 3) blank.

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

20 A. The Staff agrees with the Company's proposed elimination of the rider.
21 Staff has reviewed the rider's Terms and Conditions (paragraph 4) which state:

22 In order for Empire to provide service in accordance with this
23 program, a minimum of 1,000 blocks of Green Power must be
24 requested, in the form of customers signing the above-mentioned
25 application and agreement by April 1, 2005. Prior to this date,

Direct Testimony
of William L. McDuffey

1 information will be provided to customers about Green Power. If
2 there is less than the 1,000 block minimum participation, this tariff
3 will be discontinued on May 1, 2005. If minimum participation is
4 exceeded, the two year experimental program will begin June 1,
5 2005, contingent on the availability of renewable resources, but in
6 no case will the program begin after December 31, 2005.
7

8 Staff's investigation and review of this issue revealed that the minimum level of
9 participation was not reached and the program by tariff was discontinued as of
10 May 1, 2005. The elimination of this tariff provision is designed to remove the tariff
11 sheet that details a service that has expired and is no longer valid.

12 **STREET LIGHTING SERVICE CHARGE**

13 Q. Please describe the Company's proposed Street Lighting Service Charge.

14 A. In its direct testimony, the Company proposed the Street Lighting Service
15 Charge on nine rate schedules ranging from residential to transmission service due to
16 alleged competition from electric cooperatives within several service areas of the
17 Company. This tariff would allow Empire to offer to the cities within its Missouri
18 jurisdiction the option of continuing to be billed directly for street lighting or allocating
19 the cost of the street lighting to customers within the city and allowing Empire to bill the
20 customers through an adder on each customer's monthly electric bills.

21 Q. Has the Company changed its position concerning the Street Lighting
22 Service Charge since its filing?

23 A. Yes, the Staff has received an email from Jayna Long of Empire on
24 April 26, 2006, indicating that it is no longer seeking to add this proposed service to its
25 tariff. Ms. Long's e-mail states in part; "As we discussed on the phone, we have been
26 able to resolve some of our immediate problems concerning the street lighting. We

Direct Testimony
of William L. McDuffey

1 are still working thru some issues that may need to be addressed in future rate
2 cases. However, we do not feel the proposed street lighting tariff changes are
3 necessary for the current rate case. We would like to cancel the conference call
4 scheduled for this Friday. I appreciate all of the help you have provided in this
5 case.”

6 Q. What is Staff's position on this tariff?

7 A. The Staff is in agreement that there are issues that still need to be worked
8 out and agrees with removing the proposed tariff from this case.

9 **MISCELLANEOUS TARIFF ISSUES**

10 Q. What miscellaneous tariff issues will you address?

11 A. I will address the following miscellaneous tariff issues:

- 12 1. Service Specifications – Tariff Section 5, Sheet Nos. 12 – 17
- 13 2. Service Specifications – Tariff Section 5, Sheet No. 17a
- 14 3. Tariff sheets header presentation – All sheets

15 **Service Specifications – Tariff Section 5, Sheet Nos. 12 – 17**

16 Q. Please describe the service specification changes to Sheet Nos. 12 – 17.

17 A. The Company is proposing to omit the electric distribution policy on
18 Tariff Sheet Nos. 12 through 17.

19 Q. Why is the Company proposing to eliminate these tariff provisions?

20 A. The Company is eliminating these tariff provisions because they are no
21 longer effective as of January 31, 2003, and have been superseded with the electric
22 distribution policy provisions on Tariff Sheet Nos. 17a through 17f.

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

Direct Testimony
of William L. McDuffey

1 A. The Staff is in agreement with these changes.

2 **Service Specifications – Tariff Section 5, Sheet No. 17a**

3 Q. Please describe the service specification change to Sheet No. 17a?

4 A. The Company is proposing to omit the following paragraph on Sheet No.
5 17a.:

6 The following provisions on Section 5, Sheets 17a through 17f,
7 will become effective at 12:01 a.m. Joplin time on February 1,
8 2003. They will supersede the provisions on Section 5, Sheets 12
9 through 17 which cease to be effective at midnight on January 31,
10 2003.

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

13 A. The Staff is in agreement with this proposed tariff language deletion. This
14 paragraph should be removed because it is no longer valid.

15 **Tariff sheets header presentation – All sheets**

16 Q. In the Company's tariff could the Company improve the organization of
17 information in the header?

18 A. Yes, it would be helpful to the user if the Company header was consistent
19 with those of the other Missouri jurisdictional utilities. The header alignment on all
20 sheets is confusing because the present sheet number is too close to the canceled sheet
21 P.S.C. Mo. No. on the right side of the header as shown on Schedule 2, Present Tariff
22 Sheet Header.

23 Q. Does the Staff have a solution?

24 A. Yes, the Staff recommends that the Company place the canceled sheet
25 P.S.C. Mo. No. to the left of the Section number so only the sheet number appears on the
26 right margin of the header as shown on Schedule 2, Proposed Tariff Sheet Header.

Direct Testimony
of William L. McDuffey

1 **Revenue Requirement Impact**

2 Q. Will the implementation of these tariff recommendations have any effect
3 on Staff's revenue requirement recommendation?

4 A. No.

5 Q. Does this conclude your direct testimony?

6 A. Yes, it does.

PREVIOUS TESTIMONY OF

William L. McDuffey

Case No. ER-2006-0315

<u>CASE NUMBER</u>	<u>TYPE OF FILING</u>	<u>COMPANY</u>
ER-80-120	Direct	The Empire District Electric Company
ER-80-313	Direct	Missouri Edison Company
ER-82-180 HR-82-179	Direct	Missouri Power & Light Company
ER-83-20	Direct	Sho-Me Power Corporation
ER-83-80	Direct	Sho-Me Power Corporation
EA-86-144	Territory	The Empire District Electric Company
EA-87-85 EA-87-123	Direct	Consolidated Electric Service Company Union Electric Company
EC-87-148	Direct	Howard Electric Cooperative vs. Union Electric Company
EC-96-38	Rebuttal	Union Electric Company
ET-98-110	Direct, Rebuttal	Union Electric Company
ET-99-126	Surrebuttal	Missouri Public Service
ER-99-247 EC-98-573	Direct, Surrebuttal	St. Joseph Light & Power Company
ER-2001-299	Direct	The Empire District Electric Company
ER-2001-672	Direct	UtiliCorp United, Inc. d/b/a Missouri Public Service
ER-2004-0034 HR-2004-0024	Direct, Rebuttal, Surrebuttal	Aquila, Inc. d/b/a Aquila Networks L&P and Aquila Networks MPS
ER-2004-0570	Direct, Surrebuttal	The Empire District Electric Company

DIRECT TESTIMONY
OF
WILLIAM L. MCDUFFEY
THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2006-0315

Present Tariff Sheet Header

STATE OF MISSOURI, PUBLIC SERVICE
COMMISSION
THE EMPIRE DISTRICT ELECTIC COMPANY

P.S.C. Mo. No. 5

Sec. <u>A</u>	<u>21st</u>	Revised	Sheet No. <u>1</u>
	Canceling	P.S.C. Mo. No. <u>5</u>	

For ALL TERRITORY

No supplement to this tariff will be issued except
for the purpose of canceling this tariff.

Sec. <u>A</u>	<u>20th</u>	Revised	Sheet No. <u>1</u>
		Which was issued	<u>03-17-05</u>

Proposed Tariff Sheet Header

THE EMPIRE DISTRICT ELECTIC COMPANY

P.S.C. Mo. No. <u>5</u>	Sec. <u>A</u>	<u>21st</u>	Revised	Sheet No. <u>1</u>
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Cancelling P.S.C. Mo. No. <u>5</u>	Sec. <u>A</u>	<u>20th</u>	Revised	Sheet No. <u>1</u>
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For ALL TERRITORY