

Exhibit No.:

820

Issues:

Late Payment Fees/
Miscellaneous Tariff
Issues

Witness:

Thomas M. Imhoff

Sponsoring Party:

MO PSC Staff

Type of Exhibit:

Surrebuttal Testimony

Case No.:

GR-2004-0209

Date Testimony Prepared:

June 14, 2004

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

THOMAS M. IMHOFF

MISSOURI GAS ENERGY

CASE NO. GR-2004-0209

FILED

JUL 13 2004

Missouri Public
Service Commission

Jefferson City, Missouri

June 2004

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

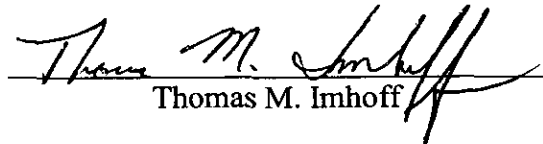
In the Matter of Missouri Gas Energy's)
Tariff Sheets Designed to Increase Rates)
for Gas Service in the Company's)
Missouri Service Area)

Case No. GR-2004-0209

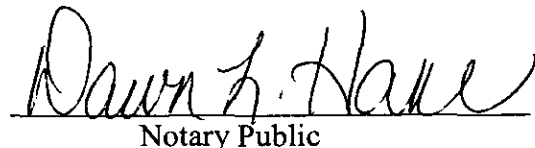
AFFIDAVIT OF THOMAS M. IMHOFF

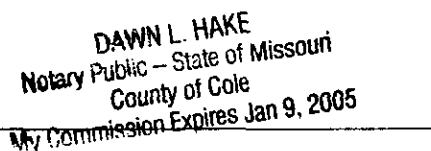
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas M. Imhoff, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 2 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal 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 8th day of June, 2004.


Notary Public

My commission expires _____


SURREBUTTAL TESTIMONY

OF

THOMAS M. IMHOFF

MISSOURI GAS ENERGY

CASE NO. GR-2004-0209

Q. Please state your name and business address.

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

Q. Are you the same Thomas M. Imhoff who filed Direct and Rebuttal testimony in this case?

A. Yes, I am.

Q. What is the nature of your Surrebuttal Testimony?

A. My Surrebuttal Testimony addresses Company witness Michael R. Noack's rebuttal testimony concerning late payment fees (LPF).

Q. What is your observation of MGE witness Noack's estimate of the cost impact on MGE if the Commission approves the Staff's proposed reduction of the late payment fees percentage from 1.5% to .5%?

A. Mr. Noack states that this proposed reduction in the LPF charge will increase the average amount of time MGE customers take to pay their bills, and accordingly will increase the Company's revenue lag calculation as measured in the Cash Working Capital accounting schedule. Mr. Noack does not provide a specific estimate of the dollar impact on MGE due to this alleged increase in the MGE revenue lag.

Surrebuttal Testimony of
Thomas M. Imhoff

1 Q. Do you agree with Mr. Noack's statements concerning the negative
2 impact on its revenue lag of the Staff's proposed change to the LPF?

3 A. No. Staff finds it interesting that MGE alleges a negative cost impact
4 in its rebuttal testimony of the proposed LPF change, without performing any
5 studies or computations that actually assesses the impact on customer payment
6 patterns of LPF. In its response to Staff Data Request No. 0209, MGE indicated
7 that they had performed no studies on the costs MGE incurs when LPFs are
8 assessed.

9 Q. What is Staff's position relating to the LPF issue?

10 A. The Staff believes that the LPF should be set at .5% of a customer's
11 initial delinquent bill. The LPF should be more reflective of the current short-term
12 cost of money for MGE, which is not 18% per year.

13 Q. Are you aware of any other companies who have, or will be
14 implementing the .5% monthly LPF?

15 A. Yes. Aquila, Inc. has implemented the .5% LPF for its electric and
16 gas operations, and AmerenUE will be implementing the .5% LPF for its electric
17 and gas operations in the near future.

18 Q. Does this conclude your surrebuttal testimony?

19 A. Yes it does.