

Exhibit No.:

Issues: Tariff Issues

Witness: William L. McDuffey

Sponsoring Party: MO PSC Staff

Type of Exhibit: Direct Testimony

Case No.: ER-2007-0004

Date Testimony Prepared: January 25, 2007

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**DIRECT TESTIMONY**

**OF**

**WILLIAM L. MCDUFFEY**

**AQUILA, INC. d/b/a**

**AQUILA NETWORKS L&P, MPS**

**CASE NO. ER-2007-0004**

**Jefferson City, Missouri  
January 2007**

**FILED**

**MAY 2 2007**

**Missouri Public  
Service Commission**

Staff Exhibit No. 219  
Case No(s) ER-2007-0004  
Date 4-12-07 Rptr KF

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

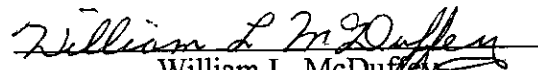
In the matter of Aquila, Inc. d/b/a Aquila )  
Networks-MPS and Aquila Networks- )  
L&P, for authority to file tariffs increasing )  
electric rates for the service provided to )  
customers in the Aquila Networks-MPS )  
and Aquila Networks-L&P service area. )

Case No. ER-2007-0004

**AFFIDAVIT OF WILLIAM L. McDUFFEY**

**STATE OF MISSOURI**     )  
                                      ) ss  
**COUNTY OF COLE**        )

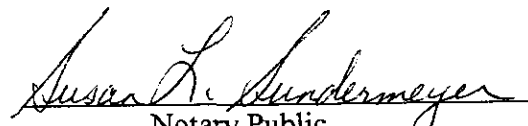
William L. McDuffey, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 3 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given 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

Subscribed and sworn to before me this 24<sup>th</sup> day of January, 2007.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
Notary Public

My commission expires 9-21-10

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**DIRECT TESTIMONY**  
**OF**  
**WILLIAM L. MCDUFFEY**  
**AQUILA, INC. d/b/a**  
**AQUILA NETWORKS L&P, MPS**  
**CASE NO. ER-2007-0004**

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 eighteen 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. What is your educational background and work experience?

A. I have over 28 years of experience at the Commission working with electric,  
gas, and steam utility tariff issues. I review filed tariffs for technical and clerical changes,  
work with regulated electric and steam utilities on the revision of rules and regulations,  
address customer complaints, compile statistical data, respond to document requests, prepare

Direct Testimony of  
William L. McDuffey

1 records for microfilming, update various internal Commission records and maps, and verify  
2 service area descriptions in territorial agreements cases and present testimony in formal  
3 proceedings before the Commission.

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

9 Q. Please summarize your direct testimony in this case.

10 A. In my direct testimony I address the proposal by Aquila, Inc. d/b/a Aquila  
11 Networks L&P and Aquila Networks MPS ("Aquila" or "Company") to place Demand-Side  
12 Management (DSM) programs in the Company's electric tariff for Missouri.

13 **DSM Programs in Tariff**

14 Q. Please describe the Company's proposal regarding placing Demand-Side  
15 Management (DSM) programs in the Company's electric tariff for Missouri.

16 A. In Aquila witness Matthew E. Daunis's Direct Testimony, page 8, lines 9-17  
17 of this case, the Company is proposing to file tariff sheets for DSM programs for the  
18 Commission's approval prior to program implementation. Staff agrees that tariff sheets  
19 should be filed for Commission approval prior to the implementation of the programs.

20 Q. If the Staff agrees with the Company, what is the purpose of your testimony?

21 A. The Commission has previously approved three DSM programs (the  
22 Weatherization, Commercial Audit and Change-A-Light DSM programs) in approving the  
23 Stipulation and Agreement in Aquila's last rate case, Case No. ER-2005-0436. Aquila has

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William L. McDuffey

1 implemented each of these programs, however, none of these programs are in Aquila's  
2 Missouri electric tariff.

3 Q. What is the Staff's position relating to lack of tariff sheets for these programs?

4 A. It is the Staff's position that the Company should file tariff sheets for the three  
5 Demand-Side Management programs (Weatherization, Commercial Audit and Change-A-  
6 Light) that the Company has already implemented.

7 Q. Should DSM programs be tariffed before the Company implements and offers  
8 the programs to Aquila's Missouri customers?

9 A. Yes.

10 Q. What is your recommendation to the Commission?

11 A. I recommend that the Commission order Aquila to file tariff sheets for the  
12 three DSM programs that were approved in its last rate case, Case No ER-2005-0436 and  
13 order Aquila to have any new DSM program in the Company's Missouri tariff before  
14 implementing and offering the program to Aquila's Missouri customers. The Staff commits  
15 to work with the Company to achieve this task.

16 **Revenue Requirement Impact**

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

19 A. No.

20 Q. Does this conclude your direct testimony?

21 A. Yes, it does.

**PREVIOUS TESTIMONY OF**

**William L. McDuffey**

Case No. ER-2007-0004

<b><u>CASE NUMBER</u></b>	<b><u>TYPE OF FILING</u></b>	<b><u>COMPANY</u></b>
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
ER-2006-0315	Direct	The Empire District Electric Company
ER-2006-0314	Direct, Rebuttal	Kansas City Power & Light Company