

Exhibit No.:

Issues: Connection Charges,
Reconnection Charges,
Transfer Rate Tariffs,
Return Check Charge Tariff

Witness: Kim J. Elvington

Sponsoring Party: MoPSC Staff

Type of Exhibit: Direct Testimony

Case No.: GR-2001-292

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

KIM J. ELVINGTON

CASE NO. GR-2001-292

MISSOURI GAS ENERGY

A DIVISION OF SOUTHERN UNION COMPANY

Jefferson City, Missouri

April 2001

Exhibit No. 19
Date 6-25-01 Case No. GR-2001-292
Reporter Stewart

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1 **DIRECT TESTIMONY**
2 **OF**
3 **KIM J. ELVINGTON**
4 **MISSOURI GAS ENERGY**
5 **A DIVISION OF SOUTHERN UNION COMPANY**
6 **CASE NO. GR-2001-292**

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

9 A. Kim J. Elvington, P.O. Box 360, Jefferson City, Missouri 65102.

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

11 A. I am a Regulatory Economist with the Missouri Public Service Commission
12 (Commission).

13 Q. Please describe your educational background.

14 A. I attended William Woods University in Fulton, Missouri, where I obtained a
15 Master in Business Administration degree in December 1998. Prior to graduate school, I
16 attended Columbia College in Columbia, Missouri, from which I received a Bachelor of
17 Science degree in Business Administration, with a major in Management, May 1997.

18 Q. What has been the nature of your duties with the Commission?

19 A. Since January 2000, I have worked in the Gas Tariffs/Rate Design Department
20 of the Commission, where my main duties consist of analyzing and evaluating various tariff
21 filings from regulated utilities operating in the state of Missouri and making
22 recommendations to the Commission regarding those filings.

Direct Testimony of
Kim J. Elvington

1 Q. Have you previously filed testimony before this Commission?

2 A. No.

3 Q. With reference to Case No. GR-2001-292, have you made an examination and
4 study of the material filed by Missouri Gas Energy, a division of Southern Union Company,
5 (MGE or Company) relating to its proposed increase in rates?

6 A. Yes, I have.

7 Q. Are you sponsoring any adjustments?

8 A. Yes, I am sponsoring Staff Adjustment S-5.3.

9 Q. What is the purpose of your direct testimony?

10 A. The purpose of my direct testimony is to present the Commission Staff's
11 (Staff) position regarding MGE's proposed connection charge, reconnection charge, and
12 transfer rate tariffs, as well as the codification of a return-check-charge tariff.

13

14 **RECONNECTION, CONNECTION AND TRANSFER TARIFF**
15 **CHANGES**
16

17 Q. Has MGE proposed a change in their reconnection charges, and proposed new
18 connection and tariff charges?

19 A. Yes, MGE is proposing to increase its standard reconnect fee from \$29 to \$40;
20 the \$50 reconnect fee after turn off at the curb to \$61; and the \$100 fee after turn off at the
21 main to \$111. The company is also proposing to institute a new-service-connection fee of
22 \$40 and a transfer fee of \$6.

23 Q. Is it important for these miscellaneous charges to accurately reflect what it
24 costs MGE to provide these services?

Direct Testimony of
Kim J. Elvington

1 A. Yes, it is important for these miscellaneous charges to reflect MGE's cost of
2 performing these various services. The individual customers causing the Company to incur
3 these expenses should be responsible for the associated costs.

4 Q. Does the Staff agree with these proposals?

5 A. Staff does not object to some increase in most of these charges. However,
6 Staff disagrees with the amount of increase MGE has requested. Staff witness, Thomas M.
7 Imhoff of the Gas Tariffs/Rate Design Department, describes the Staff's rationale for it's
8 proposed increases to these charges.

9 Q. What does Staff believe is the correct charge for each service?

10 A. After careful review and consideration of MGE's actual costs, Staff has
11 calculated the standard reconnect fee to be \$35.00, the new-connection fee to be \$35.00, and
12 the transfer fee to be \$6.00. The Staff is proposing no change to the reconnect fees of \$50.00
13 and \$100.00 for turn offs at the curb and main respectively. Staff witness, Imhoff, addresses
14 the Staff's reasons for recommending these charges remain at their current rates.

15 Q. How did Staff compute these rates?

16 A. Staff utilized the company's hourly rate and calculated a loading rate that was
17 applied to the amount of time spent on performing each of these services. The Staff
18 disagrees with MGE on the inclusion of a "non-productive time" percentage load for these
19 services. Staff witness, Imhoff, will address the Staff's rationale for the exclusion of "non-
20 productive time" in these calculations.

RETURN CHECK CHARGE

Q. Has MGE proposed a returned-check charge?

A. Yes, MGE has proposed a returned-check tariff rate of \$15.00.

Q. Does Staff agree with this proposal?

A. Staff does not object to this proposal. MGE has been charging customers a returned-check fee for more than four years. The tariff proposed will codify MGE's current charge for returned checks. MGE incurs costs when processing returned checks, and customers causing these expenses should pay for the service.

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

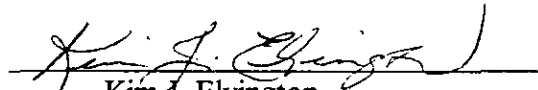
In the matter of Missouri Gas Energy a)
division of Southern Union for Authority to)
File Tariffs Increasing Rates for Gas)
Service Provided to Customers in the)
Company's Missouri Service Area)

Case No. GR-2001-292

AFFIDAVIT OF KIM J. ELVINGTON

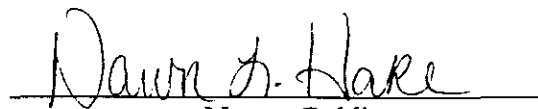
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Kim J. Elvington, of lawful age, on her oath states: that she has participated in the preparation of the foregoing written testimony in question and answer form, consisting of 4 pages of testimony to be presented in the above case, that the answers in the attached written testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Kim J. Elvington

Subscribed and sworn to before me this 16th day of April, 2001.



Notary Public

My commission expires _____

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