Exhibit No.:

Issue:

Storage Withdrawal Adjustment

Witness: MICHAEL J. WALLIS

Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: GR-97-191

MISSOURI PUBLIC SERVICE COMMISSION **UTILITY SERVICES DIVISION**

FILED

Missouri Public Service Commission

SURREBUTTAL TESTIMONY

OF

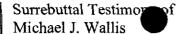
MICHAEL J. WALLIS

ASSOCIATED NATURAL GAS COMPANY

CASE NO. GR-97-191

Jefferson City, Missouri October 1999

1 SURREBUTTAL TESTIMONY 2 **OF** 3 MICHAEL J. WALLIS 4 ASSOCIATED NATURAL GAS COMPANY 5 CASE NO. GR-97-191 6 7 Q. Are you the same Michael J. Wallis who filed direct and rebuttal 8 testimony in this case? 9 A. Yes. 10 O. What is the purpose of your surrebuttal testimony? 11 A. The purpose of my surrebuttal testimony is to address the rebuttal 12 testimony of Associated Natural Gas Company (ANG or Company) witness Bradley R. 13 Lewis. 14 Q. Do you agree with Mr. Lewis where on Page 4, Lines 6 to 9, of his 15 rebuttal testimony he indicates that the invoices which you attached as Schedules 6 and 7 16 to your direct testimony do not support the conclusion that ANG's pre July 1982 PGA 17 tariff allowed for an up-front recovery of storage withdrawal costs? 18 A. No. ANG's PGA Tariff Sheet No. 44 (attached as Schedule 3.6 to my 19 direct testimony in this case) (1) allowed ANG (in the pre July 1982 time period) to 20 charge its Missouri customers an estimated PGA rate which was based on a 21 determination of the Company's average cost of purchased gas by using the most recent 22 pipeline invoices (which included storage injection costs and excluded storage 23 withdrawal costs), and (2) allowed ANG to bill its customers (based on billed volumes)



for the difference between the cost of gas priced at the historical wholesale base rates (which included storage injection costs and excluded storage withdrawal costs) and the wholesale rates in effect during the most recent purchase month (which also included storage injection costs and excluded storage withdrawal costs). As a result, it is clear that Tariff Sheet No. 44 allowed ANG to recover its storage withdrawal costs in an up-front fashion.

- Q. Does this conclude your surrebuttal testimony?
- A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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In the Matter of

Associated Natural Gas Company's Tariff Revision to be reviewed in its 1996-1997 Actual Cost Adjustment.) Case No. GR-97-191)
AFFIDAVIT (OF MICHAEL J. WALLIS
STATE OF MISSOURI) COUNTY OF COLE)	
preparation of the foregoing Surrebuttal 2 pages to be presented in the above	on his oath states: that he has participated in the restimony in question and answer form, consisting of we case; that the answers in the foregoing Surrebuttal is knowledge of the matters set forth in such answers; to the best of his knowledge and belief.

Subscribed and sworn to before me this 5th day of October 1999.

J KAY NIEMEIER NOTARY PUBLIC STATE OF MISSOURI COLE COUNTY

MY COMMISSION EXP. FEB. 26,2000