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
OCT 5 1999
Missouri Public
Service Commission

SURREBUTTAL TESTIMONY

OF

MICHAEL J. WALLIS

ASSOCIATED NATURAL GAS COMPANY

CASE NO. GR-97-191

Jefferson City, Missouri
October 1999

SURREBUTTAL TESTIMONY

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ASSOCIATED NATURAL GAS COMPANY

CASE NO. GR-97-191

Q. Are you the same Michael J. Wallis who filed direct and rebuttal testimony in this case?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to address the rebuttal testimony of Associated Natural Gas Company (ANG or Company) witness Bradley R. Lewis.

Q. Do you agree with Mr. Lewis where on Page 4, Lines 6 to 9, of his rebuttal testimony he indicates that the invoices which you attached as Schedules 6 and 7 to your direct testimony do not support the conclusion that ANG's pre July 1982 PGA tariff allowed for an up-front recovery of storage withdrawal costs?

A. No. ANG's PGA Tariff Sheet No. 44 (attached as Schedule 3.6 to my direct testimony in this case) (1) allowed ANG (in the pre July 1982 time period) to charge its Missouri customers an estimated PGA rate which was based on a determination of the Company's average cost of purchased gas by using the most recent pipeline invoices (which included storage injection costs and excluded storage 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

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)
) ss.
COUNTY OF COLE)

Michael J. Wallis, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Surrebuttal 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.

Michael J. Wallis

Michael J. Wallis

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

J. Kay Niemeier

J KAY NIEMEIER
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. FEB. 26,2000