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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS
IN-CAMERA PROCEEDINGS
August 5, 1997
Jefferson City, Missouri
Volume 3

In the Matter of Missouri Public)
Service's Tariff Revisions to)
be Reviewed in Its 1994-1995 Actual)
Cost Adjustment.)

L. ANNE WICKLIFFE, Presiding,
DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE.
KARL ZOBRIST, Chairman,
HAROLD CRUMPTON,
SHEILA LUMPE,
COMMISSIONERS.

REPORTED BY:
KELLENE K. FEDDERSEN, CSR, RPR
ASSOCIATED COURT REPORTERS, INC.

1 I N - C A M E R A P R O C E E D I N G S

2 ALJ WICKLIFFE: We're on the record

3 in-camera. Mr. Wood is on the stand.

4 WARREN T. WOOD testified as follows:

5 QUESTIONS BY ALJ WICKLIFFE:

6 Q. The question from the Bench is whether there
7 is a portion of MPS' service district presently
8 subject to secondary delivery points?

9 A. I would have to refer to Case No. GR-96-192,
10 which is the following ACA period, for evidence that,
11 in fact, secondary delivery points were being depended
12 upon for district of MPS -- for one of MPS' districts.

13 Q. Would that impact the 1994-'95 ACA period
14 that is the subject of this case?

15 A. It would confirm that our concerns were
16 founded in the GR-95-273 case.

17 ALJ WICKLIFFE: Thank you. Does anyone
18 have further questions from the Bench or further
19 questions from counsel on this highly confidential
20 information? Mr. Cooper?

21 MR. COOPER: I do, yes.

22 CROSS-EXAMINATION BY MR. COOPER:

23 Q. Just to clarify, which district is it that
24 you're referring to here?

25 A. Well, given that it's PPL that -- we are

1 in-camera now, correct?

2 ALJ WICKLIFFE: We are in-camera.

3 THE WITNESS: Okay. Given that it's PPL
4 Contract 13372, I presume it would be Northern
5 District.

6 BY MR. COOPER:

7 Q. While we're -- I guess while we're along
8 this line, for our information, can you point
9 precisely to what you're looking at to --

10 A. I'm looking to -- at Case No. GR-96-192,
11 DR Response No. 64.

12 Q. Okay. And can you -- I take it you're
13 deriving this from the language of the contract,
14 correct?

15 A. Well --

16 Q. Or the response to the Data Request?

17 A. The response to the Data Request simply
18 indicates that MPS was trying to switch delivery
19 points, trying to increase MDQ. Let's see. PPL 13382
20 contract was the only contract with primary delivery
21 point to MoPipe. PPL was restructuring secondary
22 delivery. We called to increase MDQ as well on 13372,
23 and we were also told we could not do anything until
24 March of '96, and this call appears to have been made
25 on February -- around February 1st or 3rd, 1996.

1 MR. COOPER: May I approach the witness?

2 ALJ WICKLIFFE: You may. And Mr. Wood, as
3 long as we're at a stopping point, be very careful
4 when you're reading because the reporter must get
5 every word.

6 THE WITNESS: Sorry.

7 BY MR. COOPER:

8 Q. May we look at what you're reading from?

9 A. Certainly. This language here is mine.

10 Q. Okay.

11 A. That's the original response.

12 Q. We'd like to go ahead and kind of flush this
13 out on the record so it's clear what the questions are
14 and what the answers are that are being referred to
15 here. If you could read in order A and the answer, B
16 and then the answer and C and then the answer.

17 A. Read the question and then the answer --

18 Q. Right.

19 A. -- on each.

20 Okay. Question number A, it appears that
21 deliveries for the Eastern District exceeded the 1,000
22 dekatherm per day peak level established under PPL
23 Contract 13382 during the 1995-1996 ACA period. For
24 each day the peak day was exceeded, provide the PPL
25 transportation contract used to deliver gas to the

1 Eastern District.

2 The answer was: The PPL 013382 contract was
3 the only contract with primary delivery point to
4 MoPipe. PPL was restructuring secondary delivery
5 during the first 20 days of February 1996.

6 Question number B was: Provide the course
7 of action taken by MPS for each day of the peak day
8 1,000 dekathermas was exceeded.

9 The answer to B was: We called to increase
10 our MDQ on February 2nd, 1996, and PPL said March 1st,
11 1996 was the earliest we could increase the MDQ. We
12 attempted to switch primary points on PPL contract
13 13372 to include MoPipe, and PPL said March 1st, 1996
14 would be the earliest we could switch points.

15 Question C was: Explain why the capacity on
16 PPL Contract 13382 was not increased to accommodate
17 the increased loads of the Eastern District.

18 The answer was: We had no definitive way of
19 being able to predict what the February 3rd, 1996 peak
20 day would be for -- from a forecasting standpoint due
21 to a lack of history for the eastern system and a
22 continued increase in customer levels on the eastern
23 system.

24 Q. Mr. Wood, are you familiar with the Hearing
25 Memorandum in this case?

1 A. Yes. I've looked at it.

2 Q. Okay. Can you tell me where your concerns
3 about the secondary delivery points figure into that,
4 to the issues that have been identified?

5 I guess the question really is, do they
6 directly go to any of those issues that are in
7 controversy or is this merely a concern that you are
8 highlighting for the Commission?

9 A. Well, I believe it's specifically mentioned
10 in the Hearing Memorandum on page 11 under issue
11 No. 3. It's starting in the paragraph numbered No. 1
12 closest to the bottom of page 11.

13 It said UtiliCorp -- these are in response
14 to the Staff was primarily concerned with the
15 following two items with respect to UtiliCorp's
16 service reliability.

17 Item No. 1 was UtiliCorp's apparent shift
18 toward dependence upon spot market purchases and
19 deliveries to secondary delivery points to the meet
20 the demands of human needs customers in mid winter.

21 Q. So it goes to what's been identified as
22 Issue No. 3 under the documentation issue, in the
23 documentation that the Staff would like an Order
24 relating to; is that correct?

25 A. Precisely.

1 MR. COOPER: Okay. That's all the questions
2 I have.

3 ALJ WICKLIFFE: Mr. Wood, while we're still
4 in-camera, would you identify the name of the
5 testimony, the person's testimony from which you were
6 reading?

7 THE WITNESS: You mean the DR responses I
8 was reading from?

9 ALJ WICKLIFFE: Was that a DR response from
10 the Company?

11 THE WITNESS: That was a DR response from
12 the Company, yes.

13 ALJ WICKLIFFE: Promulgated by?

14 THE WITNESS: Promulgated by the GR-96-192
15 ACA case.

16 ALJ WICKLIFFE: Promulgated by the Staff?

17 THE WITNESS: Yes. The Dr was sent by the
18 Staff to MPS, and this was their response to it.

19 ALJ WICKLIFFE: Was that information
20 actually filed in the context of that case? Was the
21 DR response filed in the context of the case?

22 THE WITNESS: Yes.

23 ALJ WICKLIFFE: Thank you.

24 Anything else before we go out of in-camera
25 session? That concludes the in-camera portion.

1 WHEREUPON, the in-camera portion of
2 Warren T. Wood's testimony was concluded.
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1 ALJ WICKLIFFE: We are back in public
2 hearing.

3 QUESTIONS BY ALJ WICKLIFFE:

4 Q. How would the documentation that Staff is
5 asking avoid some of the problems that you've
6 mentioned, some of the concerns Staff has about spot
7 gas purchases and secondary delivery points?

8 A. The documentation in and of itself would not
9 solve any problems. It would just bring them to our
10 attention in a more proactive means than looking at an
11 ACA case and coming back and finding out significant
12 penalties had been incurred and that, in fact,
13 customers in some districts were at risk and we didn't
14 know it until the end of the period.

15 Q. Okay. You also mentioned in your testimony
16 redirection capabilities, which strikes me as a
17 positive aspect. Isn't generally redirection
18 capability a positive?

19 A. Yeah. In my direct I mention it in a
20 positive light under a number of circumstances. The
21 only concern I have is if we have five different
22 districts, let's say, each depending on ten dekatherms
23 a day, as long as all five don't need their ten at the
24 same time, we're okay to have 40, let's say, which is
25 less than the total of the districts times each of

1 their peak needs.

2 But we would need to see that, in fact, that
3 analysis had been done and you could prove that, well,
4 it was very unlikely you'd ever need all five of ten
5 as opposed to just 40. Do you see where I'm going on
6 that?

7 Q. Well, are you proposing that the Company
8 would under-contract based on some reliability on
9 their redirection capabilities?

10 A. In reviewing DR No. 12 response in this
11 case, a gas supply plan was provided by Missouri
12 Public Service. There was language in there
13 addressing the possibility of dropping transportation
14 capacity levels to lower than an all coincidence peak
15 level, which it's a savings in transportation cost,
16 but we would need to see that, in fact, some analysis
17 had been done to show that it was okay.

18 Q. Okay. And that is the kind of documentation
19 you're wanting, analysis?

20 A. Uh-huh, as outlined on Schedule 4 in my
21 direct testimony.

22 Q. Do you know what the current rate of
23 conversion to natural gas is in Rolla?

24 A. In the 95-273, 96-912 case or currently?

25 Q. Currently.

1 A. No, I do not. My time frame of analysis
2 ended before the current time frame.
3 ALJ WICKLIFFE: Okay. I believe that's all
4 I have. Redirect?
5 MS. MCGOWAN: No questions.
6 ALJ WICKLIFFE: Recross, Mr. Micheel?
7 MR. MICHEEL: No, your Honor.
8 ALJ WICKLIFFE: Mr. Cooper?
9 MR. COOPER: No, your Honor.
10 ALJ WICKLIFFE: You may step down.
11 (Witness excused.)
12 ALJ WICKLIFFE: Off the record.
13 (Discussion off the record.)
14 WHEREUPON, the hearing of this case was
15 adjourned until 9:00 a.m., August 6, 1997.
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