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d/b/a AmerenUE
Case No.: GR-99-315

MISSOURI PUBLIC SERVICE COMMISSION

LACLEDE GAS COMPANY

CASE NO. GR-99-315

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Service Commission

SURREBUTTAL TESTIMONY

OF

RICHARD J. KOVACH

St. Louis, Missouri
August 19, 1999

MISSOURI PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

In the Matter of Laclede Gas Company's Tariff)
to Revise Natural Gas Rate Schedules.) Case No. GR-99-315

AFFIDAVIT OF RICHARD J. KOVACH

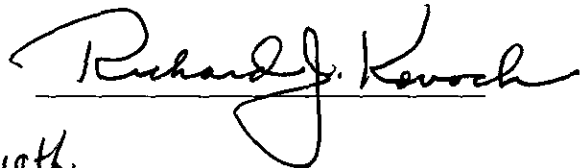
STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

Richard J. Kovach, being first duly sworn on his oath, states:

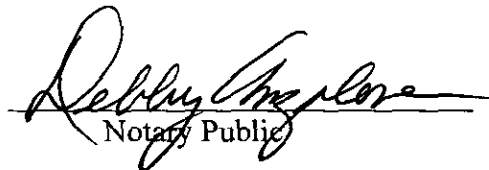
1. My name is Richard J. Kovach. I work in the City of St. Louis, Missouri, and I am the Manager of the Rate Engineering Department of Ameren Services Company.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony consisting of pages 1 through 16 all of which testimony has been prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. GR-99-315 on behalf of Union Electric Company.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



Subscribed and sworn to before me this 18th day of August, 1999.


Notary Public

DEBBY ANZALONE
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: April 18, 2002

1 design phases of this and prior Laclede rate cases, should provide ample reason for taking this
2 step. When also considering the additional testimony and schedules devoted to this subject by
3 the various parties in this case pertaining to how Laclede's gas supply costs should be recovered
4 and from which customer classes, it is clear that making such a change would be beneficial to all
5 participants of future Laclede rate cases. Transferring all of Laclede's gas supply costs to the
6 PGA will permit all parties in Laclede's rate cases to more fully concentrate their resources on
7 the examination and allocation of Laclede's increases in non-gas costs, which are the major
8 drivers of Laclede's rate case filings.

9 **Q. Does Mr. Cline's rebuttal testimony regarding this subject provide any**
10 **support for Laclede's gas supply costs being removed from its base rate tariffs and**
11 **recovered under the provisions of Laclede's PGA clause?**

12 A. Yes, it does. At the bottom of page 2 of his testimony, as he did in his Direct
13 Testimony, Mr. Cline once again raises Laclede's "gas cost mystery" argument for not
14 segregating its gas supply costs from its base rate tariffs. Simply stated, this argument is that no
15 one knows the level of gas supply costs currently included in each rate schedule, as such costs
16 have never been agreed to since Case No. GR-92-165. Therefore, according to Laclede and Mr.
17 Cline, such a separation cannot and should not be performed.

18

19 **Q. What is your response to Laclede's "gas cost mystery" argument for not**
20 **recovering all of its gas supply costs through its PGA clause?**

21 A. As a public utility, Laclede is required to properly and correctly bill its customers
22 for their gas service at rates which the Commission has approved. Certainly Laclede has been
23 rendering bills to its customers, and its base rate tariffs used in the process must contain some

1 authorized level of gas supply costs considered in Laclede's PGA/ACA proceedings. As such, I
2 find this argument to be difficult to comprehend and accept because these gas supply costs
3 should be readily determinable and, in turn moved from Laclede's base rates to its PGA clause.
4 It would be inconceivable for Laclede not to know the gas costs it is currently billing to its
5 various customer classes, as Mr. Cline's testimony also indicates that such information must
6 currently be shown on the bills of Laclede's customers.

7

8 **Q. Do Laclede's current and proposed General Service and Seasonal Air**
9 **Conditioning (SAC) Service tariffs indicate a cost basis for system gas supply?**

10 A. Yes, they do. Laclede's General Service tariff indicates it is based upon a system
11 average gas cost of 28.489 cents per therm. Laclede's SAC rate is based upon the same gas costs
12 in the winter billing season of November – April, and a system average gas cost of 23.570 cents
13 per therm during the summer billing period of May – October. Having these gas supply costs
14 stated in its tariffs, either Laclede is using them and knows what gas costs are being billed to
15 such customers, or it is billing such customers on the basis of some other costs which, by its
16 position in this and other cases, it prefers to continue to keep a "mystery."

17

18 **Q. At the bottom of page 2 of his testimony, Mr. Cline states that neither you**
19 **nor Mr. Beck has indicated a method for the removal of Laclede's gas supply costs from its**
20 **tariffs and that the method recommended by Mr. Johnstone is flawed. Please comment.**

21 A. These comments from Mr. Cline are not surprising. When presented with such generic
22 recommendations in the testimony of AmerenUE and the Commission Staff, and the opportunity
23 to respond positively with a proposal, Laclede has apparently elected to plead ignorance and

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1 instead cite the absence of a specific proposal by AmerenUE and the Staff. On the other hand,
2 specific and creditable proposals like that proposed by Mr. Johnstone are rejected by Laclede and
3 deemed as flawed. Laclede's rejection of Mr. Johnstone's proposal and Laclede's failure to put
4 forth its own "unflawed" proposal for an appropriate method for the removal of gas supply costs
5 from its base rate tariffs contributes nothing positive, but rather serves only to perpetuate
6 Laclede's "gas cost mystery" position.

7 **Q. Is this separation of gas supply costs from Laclede's base rate tariffs really as**
8 **difficult as Laclede is portraying it to be?**

9 A. No, there are several ways in which this transfer of gas supply costs from
10 Laclede's base rates to its PGA can be accomplished. The record in this case provides for at
11 least three ways to perform this separation. First, the average gas costs stated in cents per therm
12 within each of Laclede's tariffs, which are presumably used for billing and PGA reconciliation
13 purposes by Laclede, could simply be subtracted from each of Laclede's current or proposed base
14 rate tariffs and this same cents per therm factor for gas supply costs then transferred to Laclede's
15 PGA clause and combined with Laclede's other gas cost factors. Second, Mr. Johnstone's gas
16 costs, stated in cents per therm in Schedule 2-2 of his rebuttal testimony, could be subtracted
17 from Laclede's current or proposed total cents per therm revenue of each of its rate classes in
18 order to arrive at the current or proposed non-gas revenue requirement for each of Laclede's rate
19 classes. Third, as Staff, Office of the Public Counsel (OPC), MIEC, and even Laclede, have
20 performed class cost of service studies in this case for the determination of Laclede's non-gas
21 revenue requirements, this data could be used to establish Laclede's non-gas cost base rates, with
22 all of Laclede's gas supply cost data in those studies being transferred to the PGA clause, for the
23 determination of proposed PGA factors which would recover Laclede's total gas supply costs.

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1 Laclede, of course, had the option to submit its own proposal for the segregation of non-gas and
2 gas costs, but has elected not to do so up to this time, preferring instead to continue to perpetuate
3 its “gas cost mystery” argument in an effort to continue to maintain the status quo of keeping
4 some level of gas supply costs in its base rate tariffs.

5
6 **Q. In continuing to argue against taking all gas supply cost out of Laclede’s base**
7 **rates, page 4 of Mr. Cline’s testimony refers to increased costs on Laclede’s part in**
8 **developing and maintaining nine PGA billing factors, instead of the current three PGA**
9 **factors. Assuming that this argument of Mr. Cline’s must presume that a different level of**
10 **gas cost is embedded in each of Laclede’s current rate schedules, do you agree that such a**
11 **change could significantly increase Laclede’s PGA administrative costs?**

12 A. Mr. Cline is apparently basing his testimony on that assumption, but has
13 submitted no evidence to support it, for the most part subscribing to Laclede’s “nobody really
14 knows and nobody really cares” theory of ratemaking when discussing the actual amount of gas
15 supply costs in Laclede’s base rate tariffs. However, it is difficult to imagine that any significant
16 amount of administrative costs are actually involved in developing and maintaining nine versus
17 three PGA factors in Laclede’s billing process, which currently occurs some two or three times
18 each year, when Laclede’s current three PGA factors previously changed virtually every month.
19 Moreover, Laclede should be in favor of different PGA factors for each of its customer classes,
20 as well as separate cost based non-gas cost tariffs, as the combination of these two rate
21 components, if developed on the basis of sound cost tracking principles, should result in class
22 rates which are more cost based than Laclede’s existing tariffs.

23

1 **Q. Please summarize AmerenUE’s position regarding the transfer of Laclede’s**
2 **gas supply costs from its base rates to recovery under its PGA clause.**

3 A. AmerenUE, the Staff and MIEC have suggested that Laclede’s gas supply and
4 non-gas distribution costs be reviewed on a segregated basis as a part of this case. On the basis
5 of the lack of an absolute agreement as to what the gas supply costs of each customer class are
6 (the “gas cost mystery” argument) Laclede opposes such a separation of gas supply and non-gas
7 costs in its tariffs, although it and several of the parties included such cost separations in their
8 cost of service studies submitted in this case. While the record in this case contains ample
9 information to perform this cost and rate segregation of Laclede’s gas supply and non-gas costs
10 in several ways, Laclede argues against the use of such cost analyses, while failing to propose
11 any analyses or methodology of its own to perform this recommended separation of costs.
12 Laclede also cites the lack of customer interest and enhanced understanding of billings as yet
13 another reason to oppose this change, which is favored by several other parties in this case.
14 AmerenUE’s position is that this “nobody really knows and nobody really cares” theory of
15 ratemaking, advocated for too long by Laclede, should be scrapped in favor of base rate tariffs
16 containing only non-gas costs, with 100% of Laclede’s gas supply costs used to determine
17 appropriate cost based PGA factors for each of Laclede’s rate classes. This combination of cost
18 based non-gas cost and gas supply cost PGA tariffs will more closely reflect cost tracking
19 principles and result in overall Laclede rates which are more reflective of costs than its existing
20 base rate and PGA tariffs, both of which currently contain some portion of Laclede’s total gas
21 supply costs.

22

1 **Q. Regardless of how Laclede recovers its gas supply costs, is it true that**
2 **Laclede is currently, and will continue to be, allowed to recover its total prudently incurred**
3 **gas supply costs?**

4 A. Yes, it is my understanding that even if all of Laclede's gas supply costs are
5 transferred to and recovered through the PGA clause, it will still be allowed to recover 100% of
6 its prudently incurred gas supply costs, on a dollar for dollar basis. Thus, the various proposals
7 to remove all gas supply costs from Laclede's base rates and include such costs in its PGA clause
8 should have no overall financial impact upon Laclede, nor on its total customer base.

9
10 **Q. Turning now to the issue of the seasonal differentials in Laclede's General**
11 **Service Rate, discussed on pages 8-13 of Mr. Cline's testimony, does Mr. Cline label the**
12 **minor modifications in seasonal differentials offered by AmerenUE as "petty"**
13 **improvements?**

14 A. Yes he does, and he supports this claim by stating that AmerenUE's proposed
15 adjustments to Laclede's rate design are relatively minor and that, in any event, rate design is not
16 an exact science. Mr. Cline may have indeed dabbled in this "inexact" science in performing his
17 rate design for this case, but his degree of "inexactness" just coincidentally happened to result in
18 a minor reduction of the existing General Service Rate seasonal rate differentials. AmerenUE's
19 work simply corrected Mr. Cline's "inexactness" back to the same level of the existing General
20 Service seasonal differentials. If Mr. Cline really had considered AmerenUE's minor
21 modifications of his work to be "petty," he could have, or should have, simply ignored this
22 AmerenUE testimony when preparing his rebuttal testimony.

23

1 **Q. On page 9 of his testimony, Mr. Cline discusses AmerenUE's proposal that**
2 **Laclede seasonally differentiate its demand related gas supply costs, citing the**
3 **Commission's order in Laclede Case No. GR-94-328. Did AmerenUE make a similar**
4 **proposal in that case and, if so, why is it making a similar proposal for the seasonal**
5 **differentiation of demand related gas supply costs in this case?**

6 A. Both AmerenUE and the Commission Staff made proposals for seasonal
7 differentials in demand related gas supply costs in Case No. GR-94-328. While the Commission
8 did not accept the recommendations of its Staff or AmerenUE in that case, contrary to most of
9 the Commission decisions which I have reviewed, the Order in that case was issued by a vote of
10 only 3-2, with Commissioners Kincheloe and McClure issuing a joint Dissenting Opinion. That
11 dissenting opinion of two Commissioners supported the Staff's proposed seasonal allocation of
12 demand related gas costs and also emphasized the importance of moving more toward cost based
13 rates and providing better price signals to gas customers. While I do not fault Mr. Cline for
14 calling this earlier case to the Commission's attention in the current case, I would point out that
15 this 1994 case was only decided by the slimmest of margins and included two dissenting
16 opinions. Because of the nature of this earlier decision, it can hardly be claimed by Laclede to be
17 a mandate for not moving toward more cost based rates and better customer price signals.

18

19 **Q. Regarding this earlier case cited by Mr. Cline, do any of the comments**
20 **contained in the direct testimony of Laclede witness Neises in this case reflect a change in**
21 **Laclede's position regarding cost of service and seasonal price signals to its customers?**

22 A. Yes, generically, I believe that they do. For example, page 3 of Mr. Neises' direct
23 testimony in this case stresses Laclede's current interest in offering rates which are more in

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1 accord with cost of service principles, and which offer more accurate price signals to Laclede's
2 customers. Such comments suggest Laclede's consideration and movement in the direction
3 suggested by Commissioners Kincheloe and McClure in their Dissenting Opinion, which I
4 referenced earlier. While made in the context of support for Laclede's proposed General Service
5 Rate demand charge, these comments and principles can be easily and appropriately extended to
6 the appropriate recovery of Laclede's demand related gas supply costs from its various customer
7 classes.

8
9 **Q. On pages 13 and 14 of his testimony, Mr. Cline discusses your**
10 **recommendation for a divisor of 20 days instead of Laclede's proposed divisor of 30 days**
11 **for the determination of General Service customer peak season billing demands. Are you**
12 **and Mr. Cline in disagreement on this issue?**

13 A. It appears that we are in disagreement on how to best estimate the General Service
14 Rate customer annual peak billing demands proposed for use by Laclede in this case. Mr. Cline
15 first applauds AmerenUE's efforts to assist in the determination of accurate customer billing
16 demands. Then, however, he labels the actual AmerenUE gas load research data, from which the
17 20 day divisor was derived, as "theory" when, in fact, Laclede's proposal of a 30 day divisor had
18 no quantitative or technical support whatsoever. Apparently realizing the lack of support for
19 Laclede's divisor, Mr. Cline now states in his rebuttal testimony that the number of days in the
20 divisor is actually irrelevant, as "the level of billing demand therms has an offsetting effect on
21 the derivation of the demand rate." While this comment by Mr. Cline may be mathematically
22 correct, it is simply inappropriate to claim that a valid estimate of a residential or commercial
23 customer's demand in therms can be derived by dividing peak month commodity by any number

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1 of days other than 20. Using any number as a divisor for such purposes, as Mr. Cline now seems
2 to be suggesting, would produce inaccurate peak demand results which would not be in accord
3 with normal industry standards. Therefore, Mr. Cline's comments in this area are not
4 meaningful.

5

6 **Q. On pages 14-16 of his testimony, Mr. Cline discusses differences between**
7 **Laclede and AmerenUE associated with the design of Laclede's proposed SAC Rate.**
8 **Please comment on Mr. Cline's discussion of the issues between Laclede and AmerenUE as**
9 **they pertain to the SAC Rate.**

10 A. First Mr. Cline indicates that Laclede would have no objection to developing a
11 three-part rate (customer, commodity and demand charges) for SAC Rate customers should the
12 Commission approve such a rate design for its General Service Rate customers. He then states
13 that this was not done, however, because the SAC Rate contains only 500 customers. While this
14 customer class may be small, if it is large enough to be accorded separate class status, it is
15 AmerenUE's position that it should be designed considering cost of the service principles,
16 regardless of its size.

17

18 **Q. Laclede's current and proposed SAC Rate provides for the billing of non-air**
19 **conditioning gas usage in the summer at a lower rate than that applied to the comparable**
20 **non-air conditioning usage on Laclede's General Service Rate. Is there any difference in**
21 **the level of use or cost of gas associated with serving the non-air conditioning gas usage of**
22 **Laclede's General Service and SAC Rate customers?**

1 A. No, I don't know how there could be any such differences. The only difference
2 between a customer on the General Service Rate and the SAC Rate is whether or not the
3 customer has gas air conditioning. Even though the non-air conditioning usage of customers on
4 these two rates are the same, under Laclede's SAC Rate such non-air conditioning usage is billed
5 at a lower rate during Laclede's summer billing period. In contrast, however, other customers
6 with the same or comparable non-air conditioning usage in the summer billing period, but no gas
7 air conditioning, are charged a higher rate for such usage under the provisions of Laclede's
8 General Service Rate. It is AmerenUE's position that the existence or absence of a gas air
9 conditioner should not affect or otherwise impact what this customer pays for all other gas usage,
10 i.e. the rate for the SAC customers non-air conditioning usage should be the same as the
11 comparable non-air conditioning usage of any other General Service customer. However, this
12 very simple and non-discriminatory rate design concept is not reflected in Laclede's current and
13 proposed design for these two rates.

14

15 **Q. On page 15 of his testimony, Mr. Cline also states that the SAC Rate should**
16 **continue to be based upon Laclede's interruptible cost of gas, in order to encourage the off-**
17 **peak use of natural gas. What is the significance of basing the SAC Rate on Laclede's cost**
18 **of interruptible gas?**

19 A. Laclede's interruptible gas costs exclude the demand-related portion of Laclede's
20 gas supply costs. The magnitude of such demand related gas supply costs, which Laclede's SAC
21 Rate excludes during the summer billing period for its SAC customer's air conditioning and non-
22 air conditioning usage, is equal to the difference in the gas costs for the General Service and
23 SAC Rates. These gas costs were indicated earlier in my testimony as 28.489 cents per therm for

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1 the General Service Rate and 23.570 cents per therm for the SAC Rate. As the former is
2 considered as Laclede's firm gas costs and the latter as interruptible gas costs, their difference of
3 4.919 cents per therm is currently considered as Laclede's demand related gas supply cost. The
4 SAC Rate gas cost, when taken alone, is considered as the commodity related gas supply cost in
5 Laclede's base rates. It is this difference of 4.919 cents per therm of demand related gas cost that
6 Laclede does not charge or apply to any SAC Rate usage, both air conditioning and non-air
7 conditioning, during Laclede's summer billing period. AmerenUE believes that charging this
8 lower gas cost for non-air conditioning use during Laclede's summer billing period to be
9 unjustified and totally inappropriate.

10

11 **Q. Is Laclede's position, of not charging SAC customers for any demand related**
12 **gas supply costs during Laclede's off-peak summer billing season, consistent with the**
13 **position taken by Laclede in AmerenUE's current electric rate design case, MPSC Case No.**
14 **EO-96-15?**

15 A. No, it is not. Laclede's cost allocation and rate design positions have been totally
16 inconsistent and opposite in these two cases with regard to the pricing of off-peak service. Being
17 a summer peaking electric utility, AmerenUE's off-peak season is its winter billing season of
18 October – May. A major issue in AmerenUE's rate design case was the allocation of demand, or
19 capacity related, production costs to its billing seasons and within the structure of its seasonal
20 rates. For competitive reasons, Laclede challenged AmerenUE's Residential Rate seasonal cost
21 allocations and rate design in that case, adopting positions which are totally contrary and
22 diametrically opposite to positions Laclede applies to itself in its own cases.

23

1 **Q. Please explain AmerenUE's allocation of demand related production**
2 **expenses to the Residential Rate in its recent electric rate design case.**

3 A. In that case, AmerenUE first allocated its demand related production costs to each
4 rate class, then to seasons within each rate class, and finally to the various billing unit blocks
5 within each rate class. In the case of AmerenUE's off-peak winter Residential Rate structure,
6 AmerenUE allocated 15% of its off-peak winter demand related production costs to usage in
7 excess of 750 kwh per month and all remaining winter production demand costs to its initial rate
8 block of 0-750 kwh per month. Under this proposed rate design, all AmerenUE residential
9 customers with winter usage billed on the 0-750 kwh per month initial rate block (nearly the
10 average winter per customer usage) pay for a portion of AmerenUE's winter demand related
11 production costs. Customers with higher, or excess, off-peak winter usage pay the same costs as
12 all other customers for the first 750 kwh per month, plus the additional 15% increment of such
13 costs which the Company proposed for inclusion in the over 750 kwh usage block of this rate.

14

15 **Q. What considerations were adopted by AmerenUE in the design of its**
16 **proposed Residential Rate for electric service in its recent electric rate design case in**
17 **Missouri?**

18 A. There were three major considerations adopted by AmerenUE in the design of its
19 Missouri rate for Residential Electric Service in its recent rate design case. The first
20 consideration was that the full winter allocation of demand related production costs be recovered
21 from AmerenUE's off-peak winter season sales. The second consideration was to reflect the fact
22 that excess, or above average off-peak seasonal sales do not drive or require additional
23 production plant on the AmerenUE System. As a third consideration, without necessarily

1 ignoring the immediately preceding consideration pertaining to the pricing of excess off-peak
2 seasonal sales, AmerenUE designed its Residential Rate proposal to include a margin of 15% of
3 demand related production costs in the rate for all off-peak excess winter sales above 750 kwh
4 per month, in order to insure that all residential sales are contributing to AmerenUE's demand
5 related production costs.

6

7 **Q. What general position did Laclede take with regard to the Residential Rate**
8 **in AmerenUE's recent electric rate design case?**

9 A. Not surprisingly, for AmerenUE's Residential Rate, Laclede inferred that AmerenUE did
10 not allocate an adequate level of demand related production costs to its off-peak winter season
11 and, also, did not allocate an adequate level of such costs to its rate applicable to excess winter
12 usage of over 750 kwh per month. In essence, Laclede recommended that more costs be
13 allocated to the off-peak season of AmerenUE's Residential Rate and that a greater amount of
14 such costs be recovered in the over 750 kwh block of this rate, which is applicable to incremental
15 excess off-peak seasonal usage.

16

17 **Q. Please contrast Laclede's opposite positions with regard to AmerenUE's seasonal**
18 **off-peak winter Residential Rate for electric service and Laclede's own off-peak season**
19 **SAC Rate for gas air conditioning service.**

20 A. Quite simply, Laclede's demand related gas supply costs are akin to AmerenUE's
21 demand related production costs. While Laclede recommended an increased allocation of
22 AmerenUE's production demand related costs to AmerenUE's off-peak winter season and end
23 step rate block in the AmerenUE rate design case Laclede, in its own rate case, recommends that

1 absolutely none of its demand related gas supply costs be included in that portion of the SAC
2 Rate applicable to Laclede's own off-peak summer billing period.

3
4 **Q. Please compare Laclede's general position in AmerenUE's electric rate**
5 **design case with its position in its own rate case, with regard to the allocation of costs to off-**
6 **peak seasons, in the context of AmerenUE's Residential Rate and Laclede's SAC Rate.**

7 A. Laclede's strategy appears to be to attempt to load AmerenUE's off-peak winter
8 rates with demand related production costs applicable to on-peak periods, while charging no
9 demand related gas supply costs to its own off-peak summer season. Besides advocating totally
10 different and inconsistent positions in these two cases, Laclede's position of applying no gas
11 supply demand costs to non-air conditioning gas use on its SAC Rate, while applying such costs
12 for comparable use on its General Service Rate is totally contrary to the design of cost based
13 rates.

14
15 **Q. In response to your testimony that the SAC Rate should not apply to a SAC**
16 **customer's non-air conditioning use, Mr. Cline suggests on page 15 of his testimony that**
17 **gas sub-metering is not practical. Did your testimony suggest gas sub-metering be installed**
18 **for Laclede's SAC Rate customers?**

19 A. No, I did not make such a recommendation. The point of my testimony, which
20 was conveniently ignored by Mr. Cline, was that such a rate application was not cost justified
21 and is, therefore, an inappropriate rate. However, a more practical solution to this concern exists
22 without the installation of gas sub-metering. Assuming that Laclede's two step General Service
23 Rate continues with an initial block of 0-65 therms per month, I recommend that this same rate

1 also apply to Laclede's SAC customers on a seasonal, but year round basis. Such a rate would
2 be appropriate, as, at least in the case of residential customers, most gas customers will not use
3 more than 65 therms per month during the summer unless gas air conditioning was used. In the
4 latter instance, the gas air conditioning customer would pay the same rate as all other customers
5 for the initial 65 therms of use and would receive the lower second block rate of the General
6 Service Rate for excess gas air conditioning use.

7

8 **Q. What about Mr. Cline's statement on page 16 of his testimony that Laclede's**
9 **SAC Rate tariff requires that the quantity of gas used for air conditioning must be at least**
10 **twice the quantity used for all other purposes?**

11 A. Without the submetering Mr. Cline referred to earlier, this provision of Laclede's
12 tariffs is totally unmeasurable for individual customers and, therefore, unenforceable. Such a
13 tariff provision, therefore, provides no justification for the continuation of Laclede's non-cost
14 based SAC Rate, which I recommend the Commission eliminate in favor of seasonal billing
15 under Laclede's General Service Rate, as I indicated above.

16

17 **Q. Does this conclude your testimony?**

18 A. Yes, it does.