

Exhibit No.:
Issues: Revenue Requirement
Witness: Robin Kliethermes
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: GR-2014-0086
Date Testimony Prepared: July 11, 2014

MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION
Tariff, Safety, Economic & Engineering Analysis

REBUTTAL TESTIMONY

OF

ROBIN KLIETHERMES

SUMMIT NATURAL GAS OF MISSOURI, INC.

CASE NO. GR-2014-0086

Jefferson City, Missouri
July 2014

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

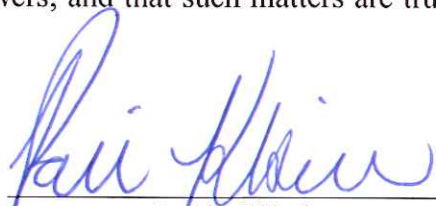
In the Matter of Summit Natural Gas of)
Missouri Inc.'s Filing of Revised Tariffs)
To Increase its Annual Revenues For)
Natural Gas Service)

File No. GR-2014-0086

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Robin Kliethermes, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 2 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal 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.



Robin Kliethermes

Subscribed and sworn to before me this 10th day of July, 2014.

LAURA BLOCH
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 21, 2015
Commission Number: 11203914



Notary Public

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OF
ROBIN KLIETHERMES
SUMMIT NATURAL GAS OF MISSOURI, INC.
CASE NO. GR-2014-0086
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4 **SUMMIT NATURAL GAS OF MISSOURI, INC.**

5 **CASE NO. GR-2014-0086**

6 Q. Are you the same Robin Kliethermes who filed in Staff's direct cost of service
7 report?

8 A. Yes I am.

9 **EXECUTIVE SUMMARY**

10 Q. What is the purpose of your rebuttal testimony?

11 A. The purpose of this testimony is to address a portion of Summit Natural Gas
12 of Missouri's ("SNG" or "Company") calculation of revenues resulting from the
13 Transportation Service class.

14 Q. Which portion of SNG's proposal will be addressed?

15 A. I address the issue of imputation of revenues at the maximum commodity
16 charge rate.

17 **APPROPRIATE TRANSPORTATION REVENUES**

18 Q. How did SNG calculate revenues resulting from the Transportation Service
19 ("TS") class?

20 A. In general SNG calculated revenues¹ for the Transportation Service class by
21 multiplying a customer's total usage by the maximum commodity charged outlined in SNG's

¹ Although the calculation of TS revenues is not discussed in direct testimony, Staff reviewed SNG witness Tyson Porter's Highly Confidential Schedule TDP-4 and Mr. Porter's workpapers.

Rebuttal Testimony of
Robin Kliethermes

1 tariff sheets² for all TS customers except three customers whose usage was multiplied by a
2 rate lower than the maximum commodity charge.

3 Q. What is inappropriate with SNG's methodology?

4 A. SNG's methodology used to compute TS revenues in this case is inappropriate
5 for two reasons. First, if the maximum commodity charge is not applied than the revenues for
6 the TS class will be understated by the amount of the reduced rate and the TS class as a whole
7 or even customers in other rate classes would have to make up the difference in revenues.
8 Secondly, Staff is concerned that SNG could decide to charge the maximum commodity
9 charge, which would increase sales revenue beyond the annualized level if the maximum
10 commodity charge was not imputed in this case.

11 Q. Does this conclude your rebuttal testimony?

12 A. Yes, it does.

² Under SNG's Transportation Service tariff sheets, customers are charged a customer charge and a commodity charge. A maximum commodity charge and a minimum commodity charge are outlined in the tariff.