Exhibit No.: Issue: Witness: Sponsoring Party: Type of Exhibit: Case No.: Date Testimony Prepared:

Bad Debt in PGA, CAM David M. Sommerer MoPSC Staff Surrebuttal Testimony GR-2010-0171 July 20, 2010

# MISSOURI PUBLIC SERVICE COMMISSION

## UTILITY SERVICES DIVISION

## SURREBUTTAL TESTIMONY

### OF

# **DAVID M. SOMMERER**

# LACLEDE GAS COMPANY

# CASE NO. GR-2010-0171

Jefferson City, Missouri July, 2010

1	SURREBUTTAL TESTIMONY
2	OF
3	DAVID M. SOMMERER
4	LACLEDE GAS COMPANY
5	CASE NO. GR-2010-0171
6	Q. Please state your name and business address.
7	A. David M. Sommerer, P.O. Box 360, Jefferson City, MO. 65102.
8	Q. Are you the same David M. Sommerer who sponsored testimony as part of the
9	Staff's May 10, 2010 Cost-of-Service Report and rebuttal testimony?
10	A. Yes.
11	EXECUTIVE SUMMARY
12	Q. What is the purpose of your surrebuttal testimony?
13	A. The purpose of my surrebuttal testimony is to address the rebuttal testimony
14	of Laclede Gas Company (Laclede, Company) witnesses Michael T. Cline and James Fallert.
15	Specifically, I will be addressing Mr. Fallert's rebuttal testimony as it relates to
16	Laclede's proposal to recover bad debt expense through the Purchased Gas
17	Adjustment (PGA) and Mr. Cline's rebuttal testimony regarding PGA aspects of Laclede's
18	Cost Allocation Manual (CAM).
19 20	LACLDEDE'S PROPOSAL TO ALLOW RECOVERY OF BAD DEBT EXPENSE IN THE PGA
21	Q What is your response to Mr. Fallert's rebuttal testimony regarding bad debt
22	recovery in the PGA?
23	A. On page 2, of his rebuttal testimony, Mr. Fallert simply states that Laclede
24	continues to advocate their proposal for bad debt recovery through the PGA. I have already

# Surrebuttal Testimony of David M. Sommerer

addressed Laclede's proposal to allow recovery of bad debt expense in the PGA in my
 rebuttal testimony and still believe that the Company's proposal is inappropriate for the
 reasons discussed in my direct and rebuttal testimonies.

4

### PGA ELEMENTS OF LACLEDE'S COST ALLOCATION MANUAL

Q. Mr. Cline states that the Staff has proposed to defer any consideration of those
provisions of the CAM that relate to gas supply and capacity transactions to the Company's
ACA proceedings. What is your understanding of the status of this issue?

A. For the purposes of this rate case, no resolution has been reached regarding the
CAM provisions related to PGA/ACA transactions that Mr. Cline discusses in his Rebuttal
testimony at pages 26 through 32. While this matter is not being further litigated in this case,
the Staff wanted to go on record that it does not agree with most of the assertions made by
Mr. Cline in his rebuttal testimony regarding these matters.

13

- Q. Does this conclude your surrebuttal testimony?
- 14
- A. Yes, it does.

#### BEFORE THE PUBLIC SERVICE COMMISSION

#### OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Tariff to Increase Its Annual Revenues for Natural ) Gas Service )

Case No. GR-2010-0171

#### AFFIDAVIT OF DAVID M. SOMMERER

STATE OF MISSOURI ) 85. COUNTY OF COLE 1

David M. Sommerer, 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 and 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.

Dand M. Sommend

Subscribed and sworn to before me this \_\_\_\_\_\_ day of July\_\_\_\_\_\_\_ D. SUZIE MANKIN Motor Public - Notary Seal \_\_\_\_\_\_\_ Notary Public - Notary Seal \_\_\_\_\_\_\_ , 2010.

State of Missouri **Commissioned for Cole County** My Commission Expires: December 08, 2012 Commission Number: 08412071