

Exhibit No.:
Issue: Off-System Sales Treatment
Witness: MICHAEL J. WALLIS
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: GR-99-315

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

SURREBUTTAL TESTIMONY

OF

MICHAEL J. WALLIS

LACLEDE GAS COMPANY

CASE NO. GR-99-315

Jefferson City, Missouri
August 1999

FILED²
AUG 19 1999
Missouri Public
Service Commission

OF

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Missouri Public
Service Commission

A. Yes.

A. The purpose of my surrebuttal testimony is to address the rebuttal

Q. Do you agree with Mr. Cline where on Page 5, Lines 12 to 16 of his

A. No. The Staff is asking the Commission to approve the off-system sales

PGA tariff language which it proposed in this case (see the direct testimony of Staff witness Thomas M. Imhoff) regardless of whether or not the Commission allows Laclede to operate under a GSIP in the future. The Staff is asking the Commission to add its proposed off-system sales tariff language to the original PGA clause which (1) currently underlies Laclede's existing GSIP and (2) was in effect prior to Laclede's existing GSIP.

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1 If Staff's proposed off-system sales PGA tariff language is approved by the Commission,
2 the Company's ratepayers will receive 100% of any off-system sales profits in all future
3 ACA periods for which a GSIP is not in effect.

4 The Staff's alternative to its proposed off-system sales PGA tariff language is to
5 impute, in the rate case revenue requirement, approximately \$2.5 million in additional
6 off-system sales revenues. Staff's proposed off-system sales net revenue amount is based
7 on a three-year average of the off-system sales profits which Laclede experienced in its
8 three most recent ACA periods.

9 Q. Mr. Cline indicates on Page 5, Lines 16 to 20, that the Office of the Public
10 Counsel has proposed to impute revenues for both off-system sales profits and capacity
11 release credits. Why is the Staff proposing (as an alternative to its proposed off-system
12 sales PGA tariff language) to impute revenues for off-system sales, but not for capacity
13 release credits?

14 A. The Staff is not proposing to impute revenues for capacity release credits
15 because capacity release credits (unlike off-system sales profits) are addressed in
16 Laclede's original PGA clause (Laclede's ratepayers receive, absent a GSIP, 100% of all
17 capacity release credits) which (1) currently underlies Laclede's existing GSIP and (2)
18 was in effect prior to Laclede's existing GSIP.

19 Q. Please summarize your surrebuttal testimony.

20 A. The Staff is asking the Commission to approve the off-system sales PGA
21 tariff language which it proposed in this case (see the direct testimony of Staff witness
22 Thomas M. Imhoff) regardless of whether or not the Commission allows Laclede to
23 operate under a GSIP in the future. The Staff is asking the Commission to add its

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1 proposed off-system sales tariff language to the original PGA clause which (1) currently
2 underlies Laclede's existing GSIP and (2) was in effect prior to Laclede's existing GSIP.
3 If Staff's proposed off-system sales PGA tariff language is approved by the Commission,
4 the Company's ratepayers will receive 100% of any off-system sales profits in all future
5 ACA periods for which a GSIP is not in effect.

6 Q. Does this conclude your surrebuttal testimony?

7 A. Yes, it does.

TONI M. WILLMENO
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF CALLAWAY
My Commission Expires June 24, 2000