

Exhibit No.: \_\_\_\_\_  
Issue: Telemetry/EGM  
Equipment  
Witness: Randal B. Spector  
Sponsoring Party: Missouri Gas Energy  
Case No.: GT-2010-0261  
Date Testimony Prepared: June 22, 2010

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

CASE NO. GT-2010-0261

SUPPLEMENTAL REBUTTAL TESTIMONY OF

RANDAL B. SPECTOR

Jefferson City, Missouri

June 22, 2010

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**CASE NO. GR-2010-0261**

**June 2010**

1   **Q.    WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2    A.    My name is Randal B. Spector, and my business address is 3420 Broadway, Kansas City,  
3       Missouri 64111.

4

5   **Q.    BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6    A.    I am the General Manager for Technology in the Field Operations and Technical Services  
7       Group of Missouri Gas Energy ("MGE" or "Company"), a division of Southern Union  
8       Company. My responsibilities include the management and supervision of MGE's  
9       Pipeline Safety Department, the Dispatch Department, the Electronic Measurement  
10      Department, and the Company's Supervisory Control and Data Acquisition Systems  
11      Department ("SCADA").

12

13   **Q.    WHAT IS YOUR EDUCATIONAL BACKGROUND AND WORK HISTORY?**

14   A.    I received a Bachelor's of Science degree in Mechanical Engineering from the University  
15      of Kansas in 1989. I have been employed by MGE since 1997 and have held a variety of  
16      operational, engineering, and sales positions. While at MGE, I have served as the  
17      Manager of Corporate Engineering, Manager of the Sales and Marketing Department,  
18      Special Projects Manager, Superintendent of the Pressure and Measurement Department,

1 Supervisor of a Construction and Maintenance Department and also as a Supervisor of an  
2 Installation and Service Department. Prior to my employment at MGE, I worked for the  
3 Natural Gas Pipeline Company of America ("NGPL") as a construction engineer and  
4 district engineer. I also worked for Betz Process Chemicals in oil refineries as well as  
5 with A.W. Chesterton Company in technical sales.

6  
7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. I will respond to the Supplemental Direct Testimony of Richard Haubensak, on behalf of  
9 Constellation New Energy Gas Division, LLC.

10  
11 **Q. IN HIS SUPPLEMENTAL DIRECT TESTIMONY, MR. HAUBENSAUK DRAWS**  
12 **A DISTINCTION BETWEEN "SMALL VOLUME" TRANSPORTATION**  
13 **CUSTOMERS AND "LARGE VOLUME" TRANSPORTATION CUSTOMERS.**  
14 **DOES MGE DRAW SIMILAR DISTINCTIONS BETWEEN TRANSPORTATION**  
15 **CUSTOMERS?**

16 A. No. MGE customers are either eligible for transportation service under its tariffs or they  
17 are not. Once a customer reaches the necessary threshold (in our proposed tariffs, 50,000  
18 ccf/year) they are eligible for transportation service. From an engineering and gas  
19 measurement perspective, my primary concern is to ensure that MGE uses the most cost-  
20 effective gas measurement equipment and other equipment necessary to serve a specific  
21 customer. As a result, my recommendations for gas measuring equipment and other  
22 equipment may be influenced by the anticipated and actual customer load and the  
23 customer's configuration on our delivery system.

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**Q. CONSTELLATION WITNESS HAUBENSAK DESCRIBES IN HIS TESTIMONY WHAT HE BELIEVES TO BE THE TWO MOST BASIC METHODS OF MEASURING GAS. WOULD YOU DESCRIBE THE TYPE OF EQUIPMENT THAT MGE REQUIRES OF ITS TRANSPORTATION CUSTOMERS?**

A. Because these customers are on a billing system that takes multiple daily readings, MGE requires that its transportation customers use telemetry equipment (equipment that transmits usage data five times daily) so that transportation customers are fully informed of their daily use. MGE also installs a “corrector,” which is a device that compensates for temperature and pressure fluctuations. The use of a corrector provides extremely accurate reads for those customers. Given the fact that customers eligible for transportation service use larger volumes of gas, precise measurement is important not only to those customers, but to MGE’s management of its gas supply. Mr. Kirkland addresses these gas supply considerations in his testimony.

**Q. CAN TRANSPORTATION CUSTOMERS USE EQUIPMENT DESIGNED FOR FIRM SALES CUSTOMERS?**

A. A transportation customer has to use telemetry equipment to receive daily readings. Otherwise, transportation customers would only receive monthly readings like MGE’s other cycle billing customers. Mr. Kirkland, in his Supplemental Rebuttal Testimony, addresses the impact of this issue from a gas supply perspective. Additionally, it is important to understand that the telemetry data from this equipment feeds into a separate billing system for transportation customers. Putting transportation customers on a cycle

1 billing program (with monthly reads) will require computer programming changes to  
2 MGE's billing system that MGE has not evaluated. As a result, MGE is only prepared  
3 for its transportation customers to use telemetry equipment at this time.  
4

5 **Q. DOES MGE REQUIRE TELEMETRY AND EGM EQUIPMENT SOLELY FOR**  
6 **ITS TRANSPORTATION CUSTOMERS?**

7 A. MGE does not require telemetry for non-transportation customers but may require the  
8 same type of EGM equipment because of a need to account for pressure and temperature  
9 fluctuations. For any customer with large monthly volumes, MGE's field operations  
10 personnel will conduct engineering studies on the most effective metering and  
11 measurement equipment for that specific customer. In several cases, MGE has required  
12 the use of electronic gas measurement equipment for some firm sales customers. MGE  
13 may require such equipment in those situations in which a customer's natural gas is  
14 delivered directly from a main line with no upstream regulation, as the pressure of that  
15 gas may vary, which has an effect on gas measurement. The best way, from an  
16 engineering perspective to ensure accurate readings in such situations is to install a  
17 corrector that corrects for pressure and temperature.  
18

19 **Q. CONSTELLATION WITNESS HAUBENSAK SUGGESTS THAT THERE IS A**  
20 **DIFFERENCE IN TELEMETRY EQUIPMENT COSTS. HOW DOES MGE**  
21 **CHOOSE THE EQUIPMENT THAT IT USES FOR TELEMETRY AND EGM?**

22 A. MGE regularly evaluates its equipment and telemetry/EGM equipment is no exception.  
23 Given the significance of gas measurement to our business, we carefully evaluate

1 equipment, but are always on the lookout for better and cost effective ways to perform  
2 the same service. Ultimately, however, MGE has to be confident in the equipment it  
3 provides to its customers. In some cases, we have tested and rejected more or less  
4 expensive equipment. Reliability and accuracy is the key.

5  
6 **Q. HAS MGE TESTED OTHER TYPES OF EQUIPMENT?**

7 A. Yes. As I noted above, we have tested more and less expensive equipment with varying  
8 degrees of success. MGE has just approved (last week) the use of a new EGM/telemetry  
9 device that will lower the cost to our firm sales customers. This device will reduce the  
10 cost to new transportation customers by several hundred dollars.

11  
12 **Q. DO YOU ANTICIPATE FUTURE CHANGES IN THE TYPE OF EQUIPMENT**  
13 **THAT MGE REQUIRES?**

14 A. Yes. Technology is constantly changing, as is price. We will continue to evaluate new  
15 technologies and equipment as they become available.

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17 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL REBUTTAL TESTIMONY?**

18 A. Yes.  
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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI


In re Missouri Gas Energy's Revised )  
Transportation Tariff )

Case No. GT-2010-0261

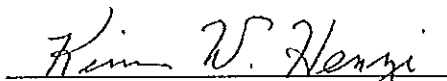
AFFIDAVIT OF RANDAL B. SPECTOR

STATE OF MISSOURI )  
 ) ss  
COUNTY OF JACKSON )

Randal B. Spector, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Supplemental Rebuttal Testimony in question and answer form, to be presented in the above case; that the answers in the foregoing Supplemental Rebuttal 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.

  
\_\_\_\_\_  
RANDAL B. SPECTOR

Subscribed and sworn to before me this 22<sup>nd</sup> day of June, 2010.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: Feb. 3, 2011

