

Exhibit No.:
Issue: Revenue
Weather Normalization
Witness: Michelle Bocklage
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case Nos.: GR-2017-0215
GR-2017-0216
Date Testimony Prepared: October 17, 2017

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

TARIFF AND RATE DESIGN UNIT

REBUTTAL TESTIMONY

OF

MICHELLE BOCKLAGE

SPIRE MISSOURI INC. d/b/a SPIRE

**LACLEDE GAS COMPANY and MISSOURI GAS ENERGY
GENERAL RATE CASE**

CASE NOS. GR-2017-0215 AND GR-2017-0216

**Jefferson City, Missouri
October, 2017**

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **MICHELLE BOCKLAGE**

4 **SPIRE MISSOURI INC. d/b/a SPIRE**

5 **LACLEDE GAS COMPANY and MISSOURI GAS ENERGY**
6 **GENERAL RATE CASE**

7 **CASE NOS. GR-2017-0215 & GR-2017-0216**

8 Q. Please state your name and business address.

9 A. Michelle Bocklage, 200 Madison Street, Jefferson City, MO 65102.

10 Q. By whom are you employed and in what capacity?

11 A. I am employed by the Missouri Public Service Commission (“Commission”) as a
12 Rate and Tariff Examiner III of the Tariff and Rate Design Unit, of the Operation Analysis
13 division of the Commission Staff.

14 Q. Are you the same Michelle Bocklage who has previously filed testimony in
15 Staff’s Revenue Requirement Cost of Service Report in this case?

16 A. Yes.

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

18 A. The purpose of my rebuttal testimony is to respond to Laclede Gas Company
19 (“LAC”) witness Keri E. Feldman concerning LAC’s methodology for calculating the change in
20 usage due to weather normalization.

21 **RESPONSE TO WITNESS KERI E. FELDMAN REGARDING LAC’S ADJUSTMENT**
22 **FOR WEATHER NORMALIZATION**

23
24 Q. Did you review Ms. Feldman’s direct testimony?

25 A. Yes.

1 Q. How did LAC calculate the change in usage associated with normal weather?

2 A. Ms. Feldman stated that for the heating season, “regression analysis was
3 completed on each winter month for the past 5 years for the residential class and each general
4 service rate class, Commercial and Industrial Class 1, Class 2, and Class 3, and analyzed for
5 reliability. This output for each heating season month was then used to calculate a normal winter
6 block 1 and total use per bill for each of these rate classes.” For the non-heating season,
7 Ms. Feldman states, “a simple 5-year average was used to calculate summer block 1 use per bill
8 and total use per bill for each rate class – Residential, and Commercial and Industrial Class 1,
9 Class 2, and Class 3 – then analyzed for trends in base usage.”

10 Q. Was the same methodology used for MGE?

11 A. No. Ms. Feldman used a regression of the average use per customer for each of
12 the 12- months of the test year and what Spire Missouri refers to as billing cycle heating degree
13 days per month.

14 Q. Did Ms. Feldman’s testimony provide an explanation for why two different
15 methods for calculating the weather normalization adjustment were used?

16 A. Somewhat. On page 8, lines 11 – 13, Ms. Feldman stated, “LAC’s rate design can
17 prove challenging when analyzing regression results, primarily in the heating season when there
18 is extreme weather sensitive volatility in the shoulder months.”

19 Q. Did the shoulder months for LAC show a different level of weather sensitive
20 volatility than MGE did?

21 A. No. Staff compared the average usage per customer per month for MGE and LAC
22 and found the average usage per month to be similar; therefore, it was unnecessary to utilize a
23 separate method for LAC than for MGE when calculating the weather normalization adjustment.

1 Q. Do rate classes have to have the same rate design in order to use the same
2 methodology to determine the change in total usage due to weather?

3 A. No.

4 Q. Did Staff use two different regression methodologies for MGE and LAC to
5 calculate the weather normalization adjustment?

6 A. No. Staff used the same methodology for MGE and LAC to determine the change
7 in usage due to weather, which was the usage per customer per day and heating degree day per
8 day for the 12 months ending December 2016. The result of the regression was used to calculate
9 the impact to total monthly usage that would result from a change in heating degree days.

10 Q. How did Staff address the blocked rate design utilized by LAC compared to the
11 flat volumetric rate utilized by MGE?

12 A. Staff calculated the total normalized usage for the residential class as discussed
13 above, and then performed a second set of regressions using the percent of usage in the first
14 block and average use per customer per month. Staff used the output of this regression to
15 determine the percent of the total normalized usage that should be allocated to block 1 and block

16 Q. What is your conclusion on these issues?

17 A. I recommend that the Commission accept Staff's weather normalization
18 adjustments to therms and revenue, as it is based on actual therms and weather during the test
19 year period.

20 Q. Does this conclude your testimony?

21 A. Yes.

22

23

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's)
Request to Increase Its Revenues for) Case No. GR-2017-0215
Gas Service)

In the Matter of Laclede Gas Company)
d/b/a Missouri Gas Energy's Request to) Case No. GR-2017-0216
Increase Its Revenues for Gas Service)

AFFIDAVIT OF MICHELLE A. BOCKLAGE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHELLE A. BOCKLAGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Rebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

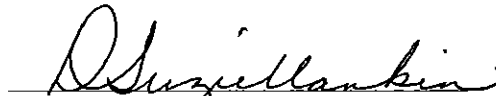
Further the Affiant sayeth not.


MICHELLE A. BOCKLAGE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 16th day of October, 2017.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070


Notary Public