

Exhibit No.:  
Issues: Weather Normalization  
Witness: Manisha Lakhanpal  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Surrebuttal Testimony  
Case No.: GR-2009-0355  
Date Testimony Prepared: October 14, 2009

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**MANISHA LAKHANPAL**

**MISSOURI GAS ENERGY**

**CASE NO. GR-2009-0355**

**Jefferson City, Missouri  
October 2009**

**FILED<sup>3</sup>**

**NOV 9 2009**

**Missouri Public  
Service Commission**

**\*\*Denotes Highly Confidential Information\*\***

Staff Exhibit No. 554  
Case No(s). GR-2009-0355  
Date 10-26-09 Rptr XF

**NP**

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

In the Matter of Missouri Gas Energy and )  
Its Tariff Filing to Implement a General )  
Rate Increase for Natural Gas Service )

Case No. GR-2009-0355

**AFFIDAVIT OF MANISHA LAKHANPAL**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

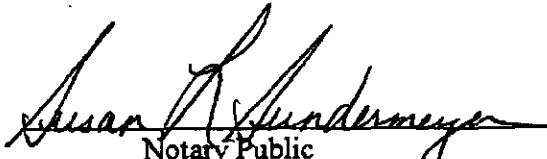
Manisha Lakhanpal, of lawful age, on her oath states: that she has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 3 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony 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.

  
\_\_\_\_\_  
Manisha Lakhanpal

Subscribed and sworn to before me this 14<sup>th</sup> day of October, 2009.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06642086

  
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Notary Public

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**SURREBUTTAL TESTIMONY**

**OF**

**MANISHA LAKHANPAL**

**MISSOURI GAS ENERGY**

**CASE NO. GR-2009-0355**

13 Q. Please state your name and business address.

14 A. My name is Manisha Lakhanpal and my business address is Missouri  
15 Public Service Commission, P. O. Box 360, Jefferson City, Missouri, 65102.

16 Q. Are you the same Manisha Lakhanpal that previously filed rebuttal  
17 testimony in this case, in this case?

18 A. Yes, I am.

**SUMMARY**

19 Q. What is the purpose of your surrebuttal testimony?

20 A. I will address the written rebuttal testimony of Missouri Gas Energy  
21 (MGE or Company) witness Larry Loos on issues related to weather normals used for  
22 weather normalization.

**WEATHER NORMAL METHODOLOGY**

23 Q. What is your justification for using a NOAA 30-year normal for weather  
24 normalization?

25 A. In my rebuttal testimony I presented the justification for using the 30-year  
26 Normal. The 30-year normals period is the international standard that is long enough to  
27 include changes in weather patterns, and it is accepted by national weather agencies, such  
28 as NOAA that determine the standards. In Case No. GR-92-165 Missouri State  
29

Surrebuttal Testimony of  
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1 Climatologist Dr. Wayne Decker recommended that the Commission use the NOAA 30-  
2 year normals. This position was reaffirmed by State Climatologist Dr Steve Qi Hu in  
3 Case No. GR-99-315.

4 In Missouri the use of 30-year normals is the standard approach for weather  
5 normalization for all regulated utilities. \*\* \_\_\_\_\_  
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7 \_\_\_\_\_  
8 \_\_\_\_\_  
9 \_\_\_\_\_

10 \*\*  
\_\_\_\_\_

11 Q. Do you agree with the assumption of a trend as used in the Hinge-Fit  
12 model for MGE service territory?

13 A. No, I do not, because the HDD data pertaining to MGE service territory  
14 does not show a climate trend as assumed by the Company in its analysis. The climate  
15 change (warming trend) began in 1975 and was an underlying assumption in the Hinge-  
16 Fit model, which was originally estimated using data from 102 climate divisions across  
17 the entire country. A model that is used at a global or a nation-wide level may not  
18 necessarily be the best fit for regional or a local level weather data analysis. That is  
19 precisely what is evident from the graph shown in my rebuttal testimony (page 8). The  
20 data show that the HDDs have increased (it has become cooler) over the years in the  
21 MGE service territory (climate divisions 1, 3, and 4). Since that is the case, it would be  
22 inappropriate to apply a model which assumes otherwise.

Surrebuttal Testimony of  
Manisha Lakhanpal

**CONCLUSION**

Q. Please summarize your Surrebuttal Testimony.

A. Staff is not recommending any change in methodology in determining weather normals. MGE's proposed Hinge-Fit model forecasts future weather normals thus setting an expectation of future weather in their service territory. Because it is not realistic to try to predict weather, Staff would not recommend using a methodology that forecasts weather and sets an expectation for future weather normals to design rates. The current Staff methodology has been endorsed by past Missouri State Climatologists, and adopted by the Commission. Staff continues to recommend that the current 1971-2000 time period of NOAA's Monthly Station Normals be used as the basis for weather normalization in the present MGE rate case.

Q. Does this conclude your Surrebuttal Testimony?

A. Yes, it does.