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Revenue Requirement Robin Kliethermes MO PSC Staff Rebuttal Testimony GR-2014-0086 July 11, 2014

# **MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION** Tariff, Safety, Economic & Engineering Analysis

# **REBUTTAL TESTIMONY**

## OF

### **ROBIN KLIETHERMES**

# SUMMIT NATURAL GAS OF MISSOURI, INC.

CASE NO. GR-2014-0086

Jefferson City, Missouri July 2014

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DateS	5-19-14	Reporte	<u>r + 7</u>
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### **BEFORE THE PUBLIC SERVICE COMMISSION**

#### **OF THE STATE OF MISSOURI**

In the Matter of Summit Natural Gas of ) Missouri Inc.'s Filing of Revised Tariffs ) To Increase its Annual Revenues For ) Natural Gas Service

File No. GR-2014-0086

#### AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI ) ) ss COUNTY OF COLE )

Robin Kliethermes, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 2 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal 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.

Robin Kliethermes

Subscribed and sworn to before me this \_\_\_\_\_\_ day of July, 2014.

LAURA BLOCH Nolary Public - Nolary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 21, 2016 Commission Number: 11203914

1	REBUTTAL TESTIMONY
2	OF
3	<b>ROBIN KLIETHERMES</b>
4	SUMMIT NATURAL GAS OF MISSOURI, INC.
5	CASE NO. GR-2014-0086
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7	EXECUTIVE SUMMARY 1
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1	REBUTTAL TESTIMONY		
2	OF		
3	ROBIN KLIETHERMES		
4	SUMMIT NATURAL GAS OF MISSOURI, INC.		
5	CASE NO. GR-2014-0086		
6	Q. Are you the same Robin Kliethermes who filed in Staff's direct cost of service		
7	report?		
8	A. Yes I am.		
9	EXECUTIVE SUMMARY		
10	Q. What is the purpose of your rebuttal testimony?		
11	A. The purpose of this testimony is to address a portion of Summit Natural Gas		
12	of Missouri's ("SNG" or "Company") calculation of revenues resulting from the		
13	Transportation Service class.		
14	Q. Which portion of SNG's proposal will be addressed?		
15	A. I address the issue of imputation of revenues at the maximum commodity		
16	charge rate.		
17	APPROPRIATE TRANSPORTATION REVENUES		
18	Q. How did SNG calculate revenues resulting from the Transportation Service		
19	("TS") class?		
20	A. In general SNG calculated revenues <sup>1</sup> for the Transportation Service class by		
21	multiplying a customer's total usage by the maximum commodity charged outlined in SNG's		

۰.

<sup>&</sup>lt;sup>1</sup> Although the calculation of TS revenues is not discussed in direct testimony, Staff reviewed SNG witness Tyson Porter's Highly Confidential Schedule TDP-4 and Mr. Porter's workpapers.

Rebuttal Testimony of Robin Kliethermes

tariff sheets<sup>2</sup> for all TS customers except three customers whose usage was multiplied by a
 rate lower than the maximum commodity charge.

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Q. What is inappropriate with SNG's methodology?

A. SNG's methodology used to compute TS revenues in this case is inappropriate
for two reasons. First, if the maximum commodity charge is not applied than the revenues for
the TS class will be understated by the amount of the reduced rate and the TS class as a whole
or even customers in other rate classes would have to make up the difference in revenues.
Secondly, Staff is concerned that SNG could decide to charge the maximum commodity
charge, which would increase sales revenue beyond the annualized level if the maximum
commodity charge was not imputed in this case.

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12

Does this conclude your rebuttal testimony?

A. Yes, it does.

Q.

<sup>&</sup>lt;sup>2</sup> Under SNG's Transportation Service tariff sheets, customers are charged a customer charge and a commodity charge. A maximum commodity charge and a minimum commodity charge are outlined in the tariff.