

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED³

NOV 04 2002

Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Tariff to Revise Natural Gas)
Rate Schedules) Case No. GR-2002-356

AFFIDAVIT OF MICHAEL T. CLINE

Michael T. Cline, of lawful age, being first duly sworn on his oath, states that:

1. My name is Michael T. Cline. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am currently employed by Laclede Gas Company ("Laclede" or "Company") as Director-Tariff & Rate Administration.

2. As part of my duties as Director-Tariff & Rate Administration, I am responsible for preparing, filing and administering the Company's tariffs that are on file with the Missouri Public Service Commission, including the proposed tariffs sheet that is in dispute in this proceeding. In addition, I perform analyses pertaining to Laclede's purchased gas costs and various federal and state regulatory matters that affect Laclede.

3. The purpose of my affidavit is to respond to the VERIFIED STATEMENT OF THE STAFF that was filed on November 1, 2002 in this proceeding.

4. In particular, I am concerned about the impression that may have been created by Mr. Beck's statement in his answer D that "[t]he billing units the Company used in their compliance filing for the Residential General Service rate class first and second rate block billing units were 215,508,388 and 263,368,081 therms, respectively, before the November adjustment was applied".

5. It is important for the Commission to understand that the Company never applied any such November adjustment in its compliance filing. Instead, the Company used the same first block winter therms of 212,988,388 that it presented to the Staff on two previous occasions, as demonstrated by the circled figures in the compliance tariff worksheet contained in Attachment 1. On September 11, 2002 such therms were included in an e-mail that the Company sent to the Commission Staff to confirm agreement on billing units prior to the derivation of rates. Also, the very same first block therms were included in another e-mail the Company sent to the Staff on September 13, 2002 setting forth the derivation of rates for all rates classes other than the Commercial and Industrial General Service and Seasonal Service rate schedules. Copies of the relevant portions of those documents with the therm amounts circled are also set forth in Attachment 1.

6. I also disagree with Mr. Beck's answer C in which he contends that the Company's proposed Residential General Service rate would result in the Company receiving additional revenues of \$932,000. To the contrary, I believe the first block therms used by the Company would produce a first block rate that, assuming normal weather, would produce the \$14 million general rate increase approved by the Commission. If instead the Company used the Staff's first block therms to derive the first block rate, the Company would be deprived of the full amount of such increase, and experience a reduction in the level of weather mitigation protection that the Company bargained for in this proceeding. In my surrebuttal testimony in this proceeding, I indicated that the Company's weather mitigation rate design proposal would eliminate 85% of the Company's weather-related losses. Such quantification was predicated on an

88% reduction for the Residential General Service rate alone. The Staff's proposed first block rate would have the effect of reducing such weather protection from 88% to 80%.

I hereby swear and affirm that my statements contained in this affidavit are true and correct to the best of my knowledge and belief.


FURTHER AFFIANT SAYETH NOT.



Michael T. Cline

STATE OF MISSOURI)
) SS.
COUNTY OF COLE)

Subscribed and sworn to before me this 4th day of November 2002.



Notary Public

My Commission Expires:

7/14/05



ATTACHMENT 1

NORMALIZED BILLING DETERMINANTS

	No. of Bills	Billing Derm/Res. Therms	Block 1 Therms	Block 2 Therms	Block 3 Therms	Total Therms
General Service						
Residential						
Nov. - Apr.	3,566,530	0	212,663,353	265,848,081		478,876,469
May - Oct.	3,566,603	0	85,546,786	5,862,226		91,409,012
Subtotal	7,133,133	0	298,210,139	271,710,307	0	570,285,481
Commercial						
Nov. - Apr.	243,455	0	19,320,753	169,664,071		188,984,824
May - Oct.	238,988	0	8,069,803	31,126,634		39,196,437
Subtotal	482,443	0	27,390,556	200,790,705	0	228,181,261
Industrial						
Nov. - Apr.	0	0	0	0	0	0
May - Oct.	0	0	0	0	0	0
Subtotal	7,634,576	0	325,925,730	472,541,012	0	798,466,742
			8,096,914	32,242,240	40,339,154	
Air Conditioning						
Residential	1,025	0	50,993	75,919	0	126,912
Commercial	297	0	27,111	1,115,606	0	1,142,717
Industrial	0	0	0	0	0	0
Subtotal	1,322	0	78,104	1,191,525	0	1,269,629
WINTER						
Residential	1,463	0	91,223	236,237		327,460
Commercial	296	0	29,208	1,813,544		1,842,752
Industrial	0	0	0	0	0	0
Subtotal	1,759	0	120,431	2,049,781		2,170,212
						3,438,841
Large Volume						
Commercial	1,224	1,954,177	19,244,934	2,221,519		21,466,453
Industrial	0	0	0	0	0	0
Rate Subtotal	1,224	1,954,177	19,244,934	2,221,519	0	21,466,453
Interruptible						
Commercial	156	0	3,483,538	429,208		3,912,746
Industrial	0	0	0	0	0	0
Rate Subtotal	156	0	3,483,538	429,208	0	3,912,746
Special Contracts						
SWBT	0	0	0	0	0	0
General L.P. Gas						
Residential	2,061		107,825	0		107,825
Commercial	24		1,420	0		1,420
Industrial	0		0	0		0
Rate Subtotal	2,085	0	109,245	0	0	109,245
Vehicular Fuel	47	0		50,493		50,493
Unmetered Gas Light	1,378	0	102,888	24,919		127,805
Transportation						
Firm						
Commercial	660	12,176,880	19,950,314	46,789,423		68,739,737
Industrial	36	0	0	0		0
Rate Subtotal	696	12,176,880	19,950,314	46,789,423	0	68,739,737
Basic						
Commercial	1,140	0	35,388,422	84,969,673		120,358,095
Industrial	0	0	0	0		0
Rate Subtotal	1,140	0	35,388,422	84,969,673	0	120,358,095
Therms Sold						
Firm						
Commercial	0	0	0	0	0	0
Industrial	0	0	0	0	0	0
Rate Subtotal	0	0	0	0	0	0
Basic						
Commercial	0	0	0	0	0	0
Industrial	0	0	0	0	0	0
Rate Subtotal	0	0	0	0	0	0
Authorized Overrun						
Firm						
Commercial	0		39,174	0		39,174
Industrial	0	0	0	0		0
Rate Subtotal	0	0	39,174	0	0	39,174
Basic						
Commercial	0	0	301,496	0		301,496
Industrial	0	0	0	0		0
Rate Subtotal	0	0	301,496	0	0	301,496
Unauthorized Use						
Commercial	0	0	0	0	0	0
Industrial	0	0	0	0	0	0
Rate Subtotal	0	0	0	0	0	0
Transportation Subtotal	1,838	12,176,880	55,679,396	131,759,096	0	187,436,482
Grand Totals	7,644,383	14,133,057	404,744,264	610,287,553		1,015,011,817

Patricia A Krieger
Sent by: Patricia A
Krieger

To: aross01@mail.state.mo.us, dbeck01@mail.state.mo.us
cc: (bcc: Michael T Cline/LACLEDE NOTES)
Subject: Billing Determinants GR-2002-356

09/11/2002 02:35 PM

Attached are billing determinants and a summary of the adjustments that have been added to the determinants prepared by Anne back in July. Please review and call to discuss. Thanks.



GR-2002-356 Billing Det..1 Summary Billing Determinants

Billing Determinants	GR 2002-356				Billing Demand Therms	Unauthorized Overrun Therms
	Bills	Blocked Thms	S/T Thms	Total Thms		
GS - Residential Gen						
Nov-April: First Block	7,152,133	212,988,388				
Second Block		265,888,081				
Total			478,876,469			
May-Oct: First Block		85,546,786				
Second Block		5,862,226				
Total			91,409,012			
				570,285,481		
GS - Comm/Indust						
Nov-April: First Block	482,306	16,959,126				
Second Block		172,191,775				
Total			189,150,901			
May-Oct: First Block		8,200,023				
Second Block		31,127,112				
Total			39,327,135			
				228,478,036		
A/C - Residential						
Nov-April: First Block	2,488	91,223				
Second Block		236,237				
Total			327,460			
May-Oct: First Block		50,993				
Second Block		75,919				
Total			126,912			
				454,372		
A/C - Comm/Indust						
Nov-April: First Block	593	29,208				
Second Block		1,813,544				
Total			1,842,752			
May-Oct: First Block		27,111				
Second Block		1,115,606				
Total			1,142,717			
				2,985,469		
Propane - Resid	2,061			107,825		
Propane - Comm/Ind	24			1,420		
Vehicular Fuel	47			50,493		
Unmetered Gas Lights	1,378			127,805		
Large Volume Sales						
First Block	1,224	19,244,934				
Second Block		2,221,519				
Total				21,466,453	2,090,541	
Interruptible Sales						
First Block	156	3,483,538				
Second Block		429,208				
Total				3,912,746		
Basic Transportation						
First Block	1,140	35,388,422				
Second Block		84,969,673				
Second Block - Auth OR		301,486				
Total				120,659,581		
Firm Transportation						
First Block	696	19,950,314				
Second Block		46,789,423				
Second Block - Auth OR		39,174				
Total				66,778,911	11,991,380	93,851
Total	7,644,246			1,015,308,592	14,081,921	93,851

GR-2002-356 **Billing Determinant Summary**

	Bills	Therms	Demand Therms
Billing Determinants (Per Anne Ross 7/16/02)	7,647,339	1,020,389,395	14,869,367
Adjustments:			
Correct double count on air conditioning bills:			
Residential	(2,488)	0	0
Commercial & Industrial	(593)	0	0
Add Load Change Adjustments thru 7/31/02	(12)	(880,805)	(162,446)
Adjust transportation demand therms by \$300,000 *	0	0	(625,000)
Adjust normal degree days to 4,718**	0	(4,200,000)	0
Final Billing Determinants	7,644,246	1,015,308,590	14,081,921

*Adjustment to reduce billing demand for transportation service customers by \$300,000 divided by \$.48 per therm equals 625,000 demand therms.

**Reduction of 35 degree days based on Staff's weather calculated value of 120,000 therms per degree day variation.

Billing Determinants	<u>Bills</u>	<u>Blocked Therm Volumes</u>	<u>Subtotal Therm Volumes</u>	<u>Total Therm Volumes</u>	<u>Billing Demand Therms</u>	<u>Unauthorized Overrun Therms</u>
GS - Residential	7,157,109					
Nov-April: First Block		215,599,611				
Second Block		<u>266,460,318</u>				
Total Nov-Apr			482,059,929			
May-Oct: First Block		85,597,779				
Second Block		<u>5,938,145</u>				
Total May-Oct			<u>91,535,924</u>			
Total				573,595,853		
GS - Commercial and Industrial	483,420					
Nov-April: First Block		18,329,014				
Second Block		<u>173,709,528</u>				
Total Nov-Apr			192,038,542			
May-Oct: First Block		8,224,392				
Second Block		<u>32,111,413</u>				
Total May-Oct			<u>40,335,805</u>			
Total				232,374,347		
Propane - Residential	2,061			107,825		
Propane - Commercial and Industrial	24			1,420		
Vehicular Fuel	47			50,493		
Unmetered Gas Lights	1,378			127,805		
Large Volume Sales	1,320					
First Block		20,758,352				
Second Block		<u>2,412,869</u>				
Total				23,171,221	2,239,787	
Interruptible Sales	156					
First Block		3,483,538				
Second Block		<u>429,208</u>				
Total				3,912,746		
Basic Transport	1,116					
First Block		35,043,544				
Second Block		84,784,164				
Second Block - Authorized Overrun		<u>301,486</u>				
Total				120,129,193	7,450,952	
Firm Transport	<u>708</u>					
First Block		20,086,032				
Second Block		46,793,286				
Second Block - Authorized Overrun		<u>39,174</u>				
Total				66,918,492	5,178,628	
Total	7,647,339			1,020,389,395	14,869,367	

should it be
88,828?
-103,895 incorrect
will fix

Changes made:
Added A/C Cust #s and Vols
Heimos
Federal Mogul
Unauth O/R decreased \$375,000

Anne Ross

7/16/2002 13:14

Michael T Cline
Sent by: Michael T Cline

09/13/2002 12:39 PM

To: dbeck01@mail.state.mo.us, aross02@mail.state.mo.us,
hhu@ded.state.mo.us, jbusch@DED.state.mo.us,
jmallinckrodt@consultbai.com, MMD@drazen.com
cc: Mike Pendergast/LACLEDE NOTES@LACLEDE GAS,
dmicheel@ded.state.mo.us
Subject: Laclede Rates

Attached is a preliminary worksheet (Lotus and Excel versions) that derives the revenue increases and rate component increases by rate schedule pursuant to the S&A with the exception of the three new C&I General Service classes. Such is based on billing determinants that have been agreed to by both the Company and the Staff. Rates for Residential General and LVTSS should be final. The Company may use some of the impacts and rates included in the worksheet at the presentation of the S&A to the Commission on Monday. Please call me at 314-342-0524 if you have any questions. In the meantime, I will continue to review the attached as well.



RATEALLOC02F4.12 RATEALLOC02F4.XL

No. of Billings	Block 1 Therms	Block 2 Therms	Block 3 Therms	Total Therms
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