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April 23, 2020

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Hwy
Lansing, MI 48917

Re: DTE Gas Company
2019 Rate Case MPSC Case No. U-20642

Dear Ms. Felice:

Enclosed for filing in the above-referenced matter, please find the **REVISED Direct Testimony and EXHIBIT RV-1 of RAMAKRISHNA VEERAPANENI** and **Certificate of Service** filed today on behalf of the Citizens Utility Board. If you have any questions, please do not hesitate to contact me.

Very truly yours,

John R. Liskey
(P31580)

Enclosure
cc: All parties of Interest

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **DTE Gas**)
COMPANY for Authority to Increase its Rates,)
amend its Rate Schedules and Rules for the)
distribution and Supply of Natural Gas, and for)
miscellaneous Accounting Authority.)
_____ /

Case No. U-20642

Certificate of Service

John R. Liskey hereby certifies that on the 23rd day of April, 2020, he served a copy of the **REVISED Direct Testimony and EXHIBIT RV-1 of RAMAKRISHNA VEERAPANENI and Certificate of Service** filed today on behalf of the Citizens Utility Board upon the parties listed on the attached service list at their respective addresses by email.

John R. Liskey

DTE GAS COMPANY
Case No. U-20642
Service List

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STATE OF MICHIGAN

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In the matter of the application of **DTE Gas)**
Company for Authority to Increase its Rates))
amend its Rate Schedules and Rules for the)
distribution and Supply of Natural Gas, and)
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Case No. U-20642

REVISED

Direct Testimony

of

Ram Veerapaneni

On behalf of

Citizens Utility Board of Michigan

April 23, 2020

1 Q. **Please state your name and business address.**

2 A. My name is Ram Veerapaneni. My business address is 115 West Allegan Street, Suite
3 710, Lansing MI 48933.

4 Q. **By whom are you employed and what is your position?**

5 A. I am a gas industry consultant and an employee of 5 Lakes Energy.

6 Q. **Please briefly describe your educational background.**

7 A. I have a Master of Science degree in Mechanical Engineering from Wayne State
8 University, Detroit, Michigan. I have a bachelor's degree in Mechanical Engineering from
9 Andhra University, Vishakhapatnam, India. I completed 20 credits towards a Master of
10 Business Administration degree at Wayne State University.

11 Q. **Please summarize your employment and Professional experience.**

12 A. I retired as a Principal Engineer at the DTE Gas Company after working for 23 years in
13 various positions. I worked for the Michigan Public Service Commission for 22 years.
14 Details of that experience are shown in Attachment A to this testimony.

15 Q. **Please give us some examples of utility cases you have provided testimony and or
16 participated in settlement negotiations representing the MPSC Staff.**

17 A. U-3665 - Revision of Michigan Gas Safety Code

18 U-4717- Consumers Power Company Rate Case

19 U-5304 – Michigan Consolidated Gas Company to revise its Purchased Gas Adjustment
20 Clause -Rule 30.

- 1 U-5365 – Michigan Consolidated Gas Company Rate Case.
- 2 U-5732 – Consumers Power Company Rate Case
- 3 U-5748-Michigan Gas Utilities Company for approval of a 60-day emergency gas service
- 4 agreement with Michigan Consolidated Gas Company
- 5 U- 5759 – Consumers Power Company for authority to amend its Purchased Gas Adjustment
- 6 Clause.
- 7 U- 5955 - Michigan Consolidated Gas Company Rate Case.
- 8 U-6486- Great Lakes Steel / Michigan Consolidated Gas Company.
- 9 U- 6839- Great Lakes Steel / Michigan Consolidated Gas Company.
- 10 U-8409 – Rate charges for gas service by Michigan Consolidated Gas Company
- 11 U-8565 – Michigan Consolidated Gas Company GCR Plan
- 12 U-8565 R - Michigan Consolidated Gas Company GCR Reconciliation
- 13 U-8635, U-8812, U-8854 – Special Contract- Michigan Consolidated Gas Company
- 14 U-8779 -Michigan Gas Processors Company for authority to construct and operate the
- 15 Oceana/Mason Pipeline
- 16 U- 8847 – Michigan Consolidated Gas Company/Panhandle Eastern Pipeline Company
- 17 U-8870 _ Michigan Consolidated Gas Company GCR Plan
- 18 U-8870 R - Michigan Consolidated Gas Company GCR Reconciliation
- 19 U-8954 – Northern States Power Company GCR Plan
- 20 U- 8955- Wisconsin Public Service Corporation GCR Plan
- 21 U-9175- Peninsular Gas Company GCR Plan
- 22 U-9257- Consumers Power Company -Rule Expansion
- 23 U-9263- Consumers Power Company – Rule- Building Meter
- 24 U-9297- Norther State Power Company GCR Plan

1 U- 9298- Wisconsin Public Service Corporation GCR Plan

2 U- 9323- Michigan Gas Company Rate Case

3 U-9475 -Michigan Consolidated Gas Company Rate Case

4 U-9650 Michigan Consolidated Gas Company- GCR Plan

5 U-20479 SEMCO Energy Gas Company Rate Case

6 **Q. What is the purpose of your direct testimony in this proceeding?**

7 A. The purpose of my testimony is to make recommendations to the commission regarding
8 End User Transportation (EUT) power generation volumes to be used for the test year.

9 **Q. Are you sponsoring any Exhibits?**

10 A. Yes, I am sponsoring Exhibit CUB RV-1.

11 **Q. What is your recommendation regarding the company's request to include 49.5 Bcf in**
12 **setting rates in this case?**

13 A. The company's Director of Gas Sales and Marketing, H.J. Decker proposes to use historical
14 5-year average of 49.5 Bcf of EUT volumes . Table 2- Power Generation Volumes shows
15 32.6, 45.4, 61.9, 46.8, 60.7 Bcf for years 2014-2018 respectively. (See Page 16 of his
16 testimony). I am recommending that 2016-2018 3-year average of 56.5 Bcf be used
17 instead of the 5-year average.

18 **Q. What are your reasons for supporting 3-year average instead of 5-year average?**

1 A. The company seems to use 3 year or 5-year averages for predicting test year volumes for
2 various items depending on when the numbers are advantageous to support higher rate
3 increase. For predicting Park and Loan revenue Mr. Decker uses a 3-year average (See
4 page 39). For predicting Off-System transportation revenue Mr. Decker uses 2016-2018
5 three-year average (See Page 42) . He uses 2016-2018 three-year average for predicting
6 Exchange Revenue (See page 43).

7 **Q. Did the company's other witnesses use three-year averages for predicting test year**
8 **amounts?**

9 A. Yes. Witness Tamara Johnson used 2015-2017 3-year average for uncollectible expense
10 projection(Page 13).

11 Q. Do you have other reason to support use of 3 year instead of 5-year data for EUT Power
12 Generation volumes.

13 A. In response to Attorney General discovery request AGDG-2.82a, the company provided
14 actual 2019 data for power generation EUT volumes. The 2019 actual amount is 60.6 Bcf
15 which is more than the 56.5 Bcf three-year average I am supporting. The actual 2019
16 volume further supports the use of three-year average instead of five-year average
17 proposed by company witness Decker.

18 Q. What are the EUT revenues to be used for the test year in this case?

19 A. Exhibit CUB RV-1 describes the EUT revenue adjustment I am proposing in this case.

1 I used 1/3rd of the 7 Bcf for rate class XLT and 2/3rd of the 7 Bcf for rate class XXLTL for
2 calculating the revenue. I used the transportation rates supported by company witness H.J
3 Maroun in his exhibit A-16, Schedule F2, Page 3 for the two rate schedules. My Exhibit
4 CUB RV-1 shows a revenue adjustment of \$ 1,766,813 for the transportation volume
5 reduction of 7.000 MMcf. Supported in my testimony.

6 Q. Do you agree with all other aspects of the Company's proposal?

7 A. I have only reviewed the EUT power generation volumes to be used for the test year and my
8 acquiescence on any other issue should not be viewed as agreement with the company's
9 other positions.

10 **Q. Does this conclude your testimony.**

11 A. Yes.

Resume of Ram Veerapaneni

EXPERIENCE SUMMARY

Principal Engineer and **Operations Manager** with 45 years' experience in the natural gas and electric industries. Worked in gas operations, pipeline safety, rate cases and implementation of Enterprise Business Systems (EBS). **Principal Engineer** responsible for Transmission Integrity Management Program (TIMP) activities. Developed company's Distribution Integrity Management Program (DIMP) by heading a 30 - member project team. Worked with Facilities & Asset Management (FAM) and Audit Teams in developing the EBS for DTE Energy. **Interim Manager** and Michigan Public Service Commission (MPSC) **Liaison** for managing MichCon's Codes and Standards in helping operating groups achieve code compliance. **Managed** construction projects at MichCon's BRM, Columbus & Milford compressor stations with responsibility for the design, procurement, and installation of various equipment. Worked at the MCN Investment Corporation (MCNIC) as **Asset Manager** for a 525 MW coal power project involving negotiation of Memoranda of Understanding (MOU), Shareholders' Agreement, Engineering, Procurement and Construction (EPC) contracts, and Operations and Maintenance (O&M) contracts. Participated in the negotiation of various contracts for the project with international partners.

As **Supervisor** of Gas Operations, MPSC, directed the participation of nine engineers in the gas operations area in presenting testimony in cases involving rate, Gas Cost Recovery (GCR), gas safety and other cases involving technical matters. **Managed** Michigan's Gas Safety Program working with the gas utilities, state, and federal government agencies to enhance public safety. **Testified** in rate, tariff, transportation, PGA, GCR, and Refund cases before the MPSC. Negotiated numerous settlements among multiple parties participating in rate, GCR and other technical matters before the MPSC. Worked well with the gas industry representatives to reach amicable solutions considering the diversity of interests among utility executives, customer organizations and government agencies.

EXPERIENCE DETAILS

2007- April 2018 Principal Engineer – Transmission Engineering, DTE Gas Company (DTE Gas), Detroit, Michigan.

Participated in IMP activities in maintaining high pressure piping systems. Responsible for completing Direct Assessment (DA) projects for the TIMP. Assisted the TIMP Supervisor in achieving compliance with federal and state safety regulations. Assisted in the company's records review to substantiate Maximum Allowable Operating Pressure (MAOP). Responsible for transfer of MAOP records to the document storage system, Documentum. Developed company's Distribution Integrity Management Program (DIMP) by heading a 30 - member project team. Responsible for monitoring promulgation of PHMSA and MPSC pipeline safety regulations. As a member of Gas Piping Technology Committee (GPTC) for 25 years, participated in developing guide material used by gas utilities in achieving compliance with federal gas safety regulations.

2004 – 2007 DTE 2 Project – FAM & Audit Teams, DTE Energy, MichCon, Detroit, Michigan.

Worked as a member of the DTE 2 Audit Team in development and implementation of appropriate audit controls for the business processes using MAXIMO, SAP, FFM, ESRI, and Documentum systems. As a member

of the FAM Team, worked on MAXIMO and Documentum applications during design, configuration, testing and implementation phases of the project. Activities included creation, review and execution of Business Process Flow Diagrams (BPFs), Process Definition Documents (PDDs), Configuration Definition Documents (CDDs), Interface Definition Documents (IDDs), Report Definition Documents (RDDs), Functional Specs., Unit, Data, System and Integration tests. Gained significant expertise in Maximo - Assets, Locations, Classifications, Failure Codes, Safety Plans, Datasheets, Job Plans, Routes and PM applications. As a member of the Documentum Team, worked on various service offerings for data transfer among Maximo, ESRI and Documentum applications. Represented MichCon as a subject matter expert in developing common business processes to be used by the DTE enterprise.

2002 – 2004 Interim Manager & Principal Engineer, Codes & Standards, MichCon, Detroit, Michigan.

Interim Manager and Michigan Public Service Commission (MPSC) Liaison responsible for managing MichCon's Codes and Standards activities in helping operating groups achieve compliance with state and federal regulations. Principal Engineer responsible for code compliance activities including interpretation of code rules, standards, distribution and field service procedures. During the past 25 years, as member of the Gas Piping Technology Committee (GPTC) and the AGA Pipeline Integrity Task Group, actively participated in the development of Pipeline Integrity Management Programs (TIMP & DIMP) issues at the federal level.

1999 - 2002 Staff Engineer, Transmission Engineering, MichCon, Detroit, Michigan.

Responsible for engineering issues at the Belle River Mills, Columbus, Washington 10, Washington 28, and Milford compressor stations. Responsible for planning, design and construction of gas delivery systems on pipelines to and from the compressor stations. Responsible for resolution of operational problems at and around the compressor stations.

1995 - 1998 Director, International Project Operations, MCNIC. / MCN Energy Inc., Detroit, Michigan.

Responsible for MCN's 25% interest in the 525 MW (\$700 million) coal power project in Tuticorin, Tamil Nadu, India. Asset Manager for MCN's investments in ten projects under development in India. MCN's potential investment in the projects ranged between 20% and 49%. Responsibilities included board presentations, negotiation of MOUs, Shareholders' Agreements, EPC and O&M contracts, construction monitoring and coordination of all MCN activities among partners in the projects. Responsible for operations of MCNIC's Mid-continent area oil and gas properties.

1986 - 1995 Supervisor, Gas Operations, Gas Division, MPSC, Lansing, Michigan.

1981 - 1986 Assistant Supervisor, Gas Operations, Gas Division, MPSC, Lansing, Michigan.

1974 - 1981 Gas Cost Specialist, Public Utilities Engineer, Gas Operations, Gas Division, MPSC, Lansing, Michigan.

Presented testimony as a staff expert in rate, refund, tariff, GCR and transportation proceedings. Provided policy and planning recommendations to the Commission and the Gas Division Director in rate and gas safety matters. Duties included direction of the participation of nine engineers in rate proceedings, Gas Cost Recovery (GCR) Plan and Reconciliation cases, gas transportation cases, refund proceedings, gas safety matters and other hearings dealing with various rules and regulations. Responsibilities also included planning and administering of Michigan's Natural Gas Pipeline Safety Program and direction of the five gas safety engineers in the enforcement of the Michigan Gas Safety Code. Provided direction to rate case staff in

presenting testimony before the commission and the Safety Engineers in code compliance activities of ten gas utilities in Michigan. Directed staff activities in implementation of the provisions of the Technical Standards for Gas Service to insure safe, reliable and quality gas service to the people of the state of Michigan.

Served as MPSC and Department of Commerce Staff Specialist on cost of gas matters. Was lead engineer, principal adviser and State of Michigan expert on the technical, economic and regulatory aspects of the cost of natural gas to the state's utilities and the residential, commercial and industrial customers of those utilities. Areas of responsibility included gas rate engineering in rate cases; Purchase Gas Adjustment (PGA) clause design, modification and implementation; reconciliation of utility cost of gas and gas sales revenue. Testified in numerous rate cases, GCR matters, refund cases, PGA matters and issues related to rules and regulations. Coordinated MPSC staff involvement in hearings before the commission and participated in numerous settlement negotiations representing the commission staff.

1973 - 1974 Mechanical Systems Engineer, Novatronics Inc., Pompano Beach, Florida.

1972 - 1973 Mechanical Technician, Medical Data Systems Corporation, Detroit, Michigan.

1969 - 1970 Graduate Engineer, Singareni Collieries Company Ltd., Andhra Pradesh, India.

Work included systems analysis of mechanical design of 105mm Sew System, reliability analysis and sew pattern design for the Auto 2-D Sew System. Designed, and prepared assembly drawings of the mechanical components. Assisted the Manufacturing Manager in purchasing and devising material flow and inventory control systems. Worked on maintenance of steam generators, turbines, cooling towers and pumps in a thermal power plant.

PROFESSIONAL AFFILIATIONS

2013 - 2018 Chairman – IMP/Corrosion Task Group, Gas Piping Technology Committee (**GPTC**)

1995 - Present Member – Gas Piping Technology Committee (**GPTC**) – (**ANSI Z- 380.1**).

1972 - Present Member – American Society of Mechanical Engineers (**ASME**).

1983 - Present Member – National Association of Corrosion Engineers (**NACE**)

1981 - 1995 Member – National Association of Pipeline Safety Representatives (**NAPSR**).

1981 - 1995 Member – **NARUC** Pipeline Safety Subcommittee

Registered Professional Engineer – State of Michigan. Registration No. 25395 (1980).

EDUCATION

MS - Mechanical Engineering, Wayne State University, Detroit, Michigan – Graduated June 1971.

BS - Mechanical Engineering, Andhra University, Vishakhapatnam, India – Graduated June 1969.

Completed 20 credits towards MBA at Wayne State University, Detroit, Michigan.

Completed 7- course training required for State and Federal Gas Safety Engineers.

MICHIGAN PUBLIC SERVICE COMMISSION

DTE GAS COMPANY

Case No.: U-20642

Exhibit: **CUB RV-1**

Witness- R. Veerapaneni

Case U- 20642

Line #	(a)	(b)	(c)	(d)
1.	Rate Schedule	Volume (MMcf) *	Rate from (Ex. A-16,Sch. F2) (H. J. Maroun, Pg. 3)	Revenue Adjustment
2.	XLT	2,334	\$ 0.4987	\$ 1, 163,966
3.	XXLT	4,666	\$ 0.1292	\$ 602, 847
4.	Total	7,000		\$ 1, 766, 813

* Allocation of 7,000 MMcf based on estimate of 1/3 volume in Rate class XLT and 2/3 volume in Rate Class XXLT.