

Exhibit No.:
Issues: Large Customer
Normalization

Witness: Michael J. Ensrud
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No.: GR-2007-0208
Date Testimony Prepared: May 4, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

**DIRECT TESTIMONY
OF**

MICHAEL J. ENSRUD

LACLEDE GAS COMPANY

CASE NO. GR-2007-0208

**Jefferson City, Missouri
May 4, 2007**

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

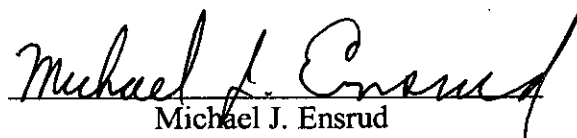
In the Matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate)
Schedules)

Case No. GR-2007-0208

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

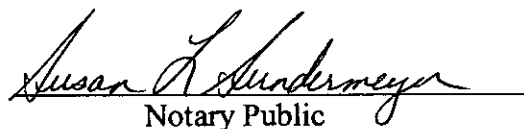
Michael J. Ensurd, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 4 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.


Michael J. Ensurd

Subscribed and sworn to before me this 3rd day of May, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10

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A. My name is Michael J. Ensrud, P.O. Box 360, Jefferson City, Missouri 65102.

A. I am a Rate & Tariff Examiner II in the Energy Department of the Missouri Service Commission (Commission).

A. I have a Bachelor of Science from Drake University. I attended the NARUC Regulatory Studies Program at Michigan State University. In the regulatory field, I worked for CompTel Missouri, and CommuniGroup, Inc., Teleconnect, Telecom* USA, General Telephone Company of the Midwest in the private sector. In addition, I have years of experience with the Iowa Public Utility Board – Iowa’s equivalent to the Missouri Commission.

A. Yes, I have filed written testimony and have testified in several cases. Exhibit 1 lists the cases where I have filed testimony as a Staff witness before this Commission. I have also testified in other jurisdictions.

1

Direct Testimony of
Michael J. Ensrud

1 Q. What is the purpose of your direct testimony?

2 A. The purpose of my testimony is to provide Staff's analyses and assessment of,
3 and adjustments to customer therm usage, customer numbers and rate revenues for Laclede
4 Gas Company (Laclede or Company) customers in the Large Volume Service Sales and
5 Transportation Service (Firm and Basic Service), Large Volume Service, and Interruptible
6 Service rate classes. These adjustments were made to recognize:

7 a. Rate-switching and customer load changes occurring through

8 b. Annualization of monthly billing demand to test year ending levels.

9 These adjustments were provided to Staff witness Kim Bolin of the Commission's
10 Auditing Department.

11 Q. What are the timeframes of the changes being reviewed?

12 A. Staff performed its review of these specific instances on rate-switching and
13 customer load changes during the test year ending September 30, 2006 plus any customers
14 load changes during the update period ending March 31, 2007.

15 Q. Has Staff completed its review of this issue?

16 A. No. As of the drafting of this testimony, Staff has just received but yet to fully
17 review Laclede's response to a number of data requests. The primary support and
18 information Staff is seeking to review addresses those instances where a major revenue shift
19 took place. Staff is in the process of reviewing the 12 largest adjustments that Laclede has
20 supplied DR responses for. Using the minimum criteria of a \$5000.00 revenue impact, Staff
21 found ten (10) examples of companies experiencing decreased billing and two (2) examples
22 of companies receiving increased billing.

1 Therefore, pending Laclede's responses to Staff data requests, Staff reserves the right
2 to file Supplemental Direct Testimony in the event that future developments warrant a change
3 to Staff's current adjustment.

4 Q. Please describe the "rate-switching" adjustment.

5 A. Customers who switched rate codes during the period October 1, 2005 and
6 March 31, 2007 were identified by the Company in response to data requests. The test year
7 volumes, customer numbers and revenues associated with the tariff class in which they were
8 initially served were removed from the totals in that class. The volumes and customer
9 numbers were then priced out at the rate in the customer's new class, and these customer
10 numbers, volumes, and dollars were added to those in the tariff class in which the customer
11 was at the end of the March 31, 2007 update period.

12 Q. Please describe the adjustment made to demand therms and revenues.

13 A. Laclede's tariffs use the maximum of a base level or the highest billing
14 demand in the previous 11 months to calculate that component of customer bills. Do to the
15 receipt of Laclede's DR responses on May 1, 2007, I am adopting Laclede witness Pat
16 Krieger's adjustment for the annualization of monthly billing demand to test year ending
17 levels. Pending review of those data requests, Staff reserves the right to file Supplemental
18 direct Testimony on this issue.

19 Q. Are there additional volume and revenue adjustments being made to the
20 customers in the Large Volume Sales and Transportation Service – Basic, Large Volume
21 Sales and Transportation Service – Firm, Large Volume Sales Service, and Interruptible Sales
22 Service rate classes in this case?

Direct Testimony of
Michael J. Ensrud

1 A. Yes. Staff witness Anne Ross of the Commission's Energy Tariffs/Rate
2 Design Department is sponsoring additional adjustments to the revenues in these four classes.
3 These adjustments will be discussed in her direct testimony.

4 Q. Does this conclude your testimony?

5 A. Yes. It does.

LACLEDE GAS COMPANY
GR-2007-0208

Summary of Cases in which prepared testimony was presented by:
MICHAEL J. ENSURD

Atmos Energy Corporation - GR-2006-0387 - Miscellaneous Rate Issues &
Seasonal Reconnection Charge.

Missouri Gas Energy - GR-2006-0422 - Miscellaneous Rate Issues &
Seasonal Reconnection Charge.

AmerenUE (Union Electric Company) - ER-2007-0002 / GR- 2007-0003 -
GR-2006-0422 - Miscellaneous Rate Issues & Seasonal Reconnection Charge