

**Exhibit No.:** \_\_\_\_\_  
**Issue(s):** “Budget” Infrastructure Costs  
**Witness/Type of Exhibit:** Roth/Direct  
**Sponsoring Party:** Public Counsel  
**Case No.:** GO-2015-0179

**DIRECT TESTIMONY**

**OF**

**KERI ROTH**

Submitted on Behalf of the Office of the Public Counsel

**MISSOURI GAS ENERGY**

CASE NO. GO-2015-0179

April 14, 2015

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


In the Matter of the Application of )  
Missouri Gas Energy, an Operating )  
Unit of Laclede Gas Company, for ) File No. GO-2015-0179  
Approval to Change its Infrastructure )  
System Replacement Surcharge )

**AFFIDAVIT OF KERI ROTH**

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )

Keri Roth, of lawful age and being first duly sworn, deposes and states:


- 1. My name is Keri Roth. I am a Public Utility Accountant II for the Office of the Public Counsel.
- 2. Attached hereto and made a part hereof for all purposes is my direct testimony.
- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
Keri Roth  
Public Utility Accountant II

Subscribed and sworn to me this 14<sup>th</sup> day of April 2015.



JERENE A. BUCKMAN  
My Commission Expires  
August 23, 2017  
Cole County  
Commission #13754037

  
Jerene A. Buckman  
Notary Public

My Commission expires August, 2017.

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**DIRECT TESTIMONY  
OF  
KERI ROTH**

**MISSOURI GAS ENERGY  
CASE NO. GO-2015-0179**

9 **I. INTRODUCTION**

10 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

11 A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

12  
13 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

14 A. I am employed by the Missouri Office of the Public Counsel (“OPC” or “Public  
15 Counsel”) as a Public Utility Accountant II.

16  
17 Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES AT THE OPC?

18 A. My duties include performing audits and examinations of the books and records of  
19 public utilities operating within the state of Missouri under the supervision of the Chief  
20 Public Utility Accountant, Mr. Ted Robertson.

21  
22 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OTHER  
23 QUALIFICATIONS.

1 A. I graduated in May 2011, from Lincoln University, in Jefferson City, Missouri, with a  
2 Bachelor of Science Degree in Accounting.

3  
4 Q. HAVE YOU RECEIVED SPECIALIZED TRAINING RELATED TO PUBLIC  
5 UTILITY ACCOUNTING?

6 A. Yes. In addition to being employed by the Missouri Office of the Public Counsel since  
7 September 2012, I have also attended the NARUC Utility Rate School held by Michigan  
8 State University.

9  
10 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI  
11 PUBLIC SERVICE COMMISSION (“COMMISSION” or “MPSC”)?

12 A. Yes. Please refer to Schedule KNR-1, attached to this testimony, for a listing of cases in  
13 which I have submitted testimony.

14  
15 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

16 A. The purpose of my direct testimony is to provide the Commission with facts relevant to  
17 Missouri Gas Energy’s (“MGE”) petition to change its Infrastructure System  
18 Replacement Surcharge (“ISRS”).

19

1 Q. WHY DID PUBLIC COUNSEL FILE A “MOTION FOR ORDER DENYING  
2 CERTAIN ISRS COSTS?”

3 A. As stated in Public Counsel’s motion, filed with the Commission, the following legal  
4 argument has been raised by OPC Counsel: “Public Counsel challenges the lawfulness  
5 of MGE’s attempt to include costs incurred *after* MGE filed its application to increase its  
6 ISRS. ISRS petitions must comply with § 393.1015.1(1) RSMo, which requires:

7  
8 At the time that a gas corporation files a petition with the  
9 commission seeking to establish or change an ISRS, it shall submit  
10 proposed ISRS rate schedules and its supporting documentation  
11 regarding the calculation of the proposed ISRS with the petition,  
12 and shall serve the office of the public counsel with a copy of its  
13 petition, its proposed rate schedules, and its proposed  
14 documentation.”  
15  
16

17 **II. “BUDGET” INFRASTRUCTURE COSTS**

18 Q. HAS MGE INCLUDED “BUDGET” COSTS IN ITS INITIAL APPLICATION FILING  
19 ON JANUARY 30, 2015?

20 A. Yes. “Budget” costs were included for January 2015 and February 2015.  
21

22 Q. WHAT IS THE AMOUNT OF “BUDGET” COSTS MGE INCLUDED FOR  
23 JANUARY 2015?

1 A. As shown in MGE's initial application filing, MGE included "budget" costs totaling  
2 \$2,274,669 for January 2015.

3  
4 Q. WHAT IS THE AMOUNT OF "BUDGET" COSTS MGE INCLUDED FOR  
5 FEBRUARY 2015?

6 A. As shown in MGE's initial application filing, MGE included "budget" costs totaling  
7 \$1,692,499 for February 2015.

8  
9 Q. WHAT IS THE TOTAL ISRS ELIGIBLE ADDITIONS MGE STATES IN ITS  
10 INITIAL APPLICATION FILING?

11 A. MGE calculates ISRS plant to total \$21,434,415.22.

12  
13 Q. WHAT IS THE AMOUNT OF ISRS ACTUALLY INCURRED AFTER THE  
14 APPLICATION FILING DATE FOR JANUARY AND FEBRUARY 2015, AS  
15 SHOWN IN MGE'S SUPPLEMENTAL WORKPAPERS PROVIDED TO PUBLIC  
16 COUNSEL ON MARCH 19, 2015?

17 A. As shown in Schedule KNR-2, MGE calculates ISRS actually incurred for January 2015  
18 to total \$2,360,787.95 and \$2,526,134.27 for February 2015. Together, January 2015  
19 and February 2015 total \$4,886,922.

20

1 Q. IS THE ACTUAL INFRASTRUCTURE COSTS INCURRED HIGHER THAN THE  
2 “BUDGET” AMOUNTS MGE INCLUDED IN ITS INITIAL APPLICATION?

3 A. Yes. The actual infrastructure costs incurred, for January 2015 and February 2015, is  
4 \$919,754 higher than the “budget” amount of \$3,967,168 MGE included in its initial  
5 filing.

6  
7 Q. WHAT IS THE AMOUNT OF ISRS ELIGIBLE PLANT ADDITIONS MGE  
8 REQUESTS TO INCLUDE AFTER ACTUAL COSTS INCURRED HAVE BEEN  
9 INCLUDED RATHER THAN “BUDGET” COSTS?

10 A. As shown in Schedule KNR-2, MGE requests to include ISRS eligible plant additions  
11 totaling \$22,354,169.

12  
13 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

14 A. Yes, it does.



**CASE PARTICIPATION  
OF  
KERI ROTH**

<b><u>Company Name</u></b>	<b><u>Case No.</u></b>
Empire District Electric Company	ER-2012-0345
Emerald Pointe Utility Company	SR-2013-0016
Lake Region Water & Sewer Company	WR-2013-0461
Summit Natural Gas of Missouri, Inc.	GR-2014-0086
Hickory Hills Water & Sewer Company, Inc.	WR-2014-0167/SR-2014-0166
Empire District Electric Company	ER-2014-0351
Laclede Gas Company	GO-2015-0178