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Case Nos. GR-2017-0215; GR-2017-0216  
Date Testimony  
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LACLEDE GAS COMPANY  
MISSOURI GAS ENERGY

GR-2017-0215  
GR-2017-0216

DIRECT TESTIMONY

OF

KERI E. FELDMAN

APRIL 2017

Laclede Exhibit No. 050  
Date 12-15-17 Reporter A.E.  
File No. GR-2017-0215, GR-2017-0216

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**DIRECT TESTIMONY OF KERI E. FELDMAN**

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**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Keri E. Feldman, and my business address is 700 Market Street, St. Louis, Missouri 63101.

**Q. WHAT IS YOUR PRESENT POSITION?**

A. I am Manager, Operations Accounting for Laclede Gas Company (“Laclede”).

**Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

A. I have been in my present position since October 2012. I manage the Operational Accounting Department, which is responsible for accounting activities associated with recording natural gas revenues and related gas cost expenditures, as well as the unitization, retirement, and depreciation of fixed assets, primarily for the Missouri operating units of Laclede, which include Laclede Gas (“LAC”) and Missouri Gas Energy (“MGE”).

**Q. PLEASE BRIEFLY DESCRIBE YOUR EXPERIENCE WITH THE COMPANY PRIOR TO BECOMING MANAGER, OPERATIONS ACCOUNTING.**

A. I joined Laclede in June 2006 as an Analyst in the Management Information Services Department. In September 2006, I was transferred to the Financial Reporting & Analysis department, where I served as an Analyst until May 2008. I then took a position in the Gas Accounting Department as a Business Analyst and was promoted in October 2010 as the Manager, Gas Accounting. I held this

1 position until the Gas Accounting and Asset Management departments merged to  
2 form Operational Accounting in October 2012.

3 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

4 A. I graduated from McKendree University in 2009 with a Masters of Business  
5 Administration. In 2006, I earned a Bachelor of Science degree in Business  
6 Administration, majoring in Finance from Southeast Missouri State University.

7 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**  
8 **COMMISSION?**

9 A. Yes, I submitted direct testimony in Laclede's last rate case proceeding, Case No.  
10 GR-2013-0171.

11 **PURPOSE OF TESTIMONY**

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. I am sponsoring certain income statement adjustments in the areas of revenue,  
14 gas cost, and taxes other than income taxes for both Missouri operating units.  
15 These adjustments include weather normalization and customer annualization for  
16 the residential and small general service rate classes, and rate switching  
17 normalization for those customers who changed rates throughout the test year or  
18 should change rates going forward based on our annual usage review. In addition,  
19 my testimony includes revenue and / or expense adjustments for operating income  
20 items, such as those relating to unbilled revenues, Infrastructure System  
21 Replacement Surcharge ("ISRS"), Off System Sales and Capacity Release, and  
22 Gross Receipts Taxes.

1 ADJUSTMENTS TO OPERATING INCOME

2 **Q. PLEASE EXPLAIN THE ADJUSTMENTS TO OPERATING INCOME**  
3 **FOR LAC.**

4 A. I am sponsoring adjustments to book revenues and gas costs to reflect the  
5 appropriate level of test year margin for LAC. These adjustments are located in  
6 Schedule MRN-D2, H-1, and include the elimination of deferred gas cost, reversal  
7 of unbilled revenue accruals, and annualization of the Infrastructure System  
8 Replacement Surcharge revenue. In addition, I am also sponsoring adjustments to  
9 revenues and expenses for taxes other than income related to gross receipts tax,  
10 and to the revenues and expenses related to off-system sales and releases of  
11 pipeline capacity, which appear on the same Schedule noted above.

12 **Q. ARE THE ADJUSTMENTS TO OPERATING INCOME SIMILAR FOR**  
13 **MGE?**

14 A. Yes. I am also sponsoring adjustments to book revenues and gas costs to reflect  
15 the appropriate level of test year margin for MGE. Similar adjustments are  
16 located in Schedule MRN-D1, H-1.

17 OFF-SYSTEM SALES AND CAPACITY RELEASE

18 **Q. PLEASE EXPLAIN IN MORE DETAIL THE ADJUSTMENTS RELATED**  
19 **TO MARGINS RETAINED BY LAC FROM OFF-SYSTEM SALES AND**  
20 **THE RELEASE OF PIPELINE CAPACITY.**

21 A. LAC is allowed to retain a percentage, ranging from 15% to 30% of the pre-tax  
22 margins realized from its off-systems sales and capacity releases, with the  
23 percentage increasing depending on the level of margins achieved. Consistent

1 with its tariff, these adjustments eliminate the Company's portion of income  
2 realized in utility operating income during the test year. This adjustment can be  
3 found on Schedule MRN-D2, H-1.

4 **Q. ARE THERE SIMILAR ADJUSTMENTS TO MGE FROM OFF-SYSTEM**  
5 **SALES AND THE RELEASE OF PIPELINE CAPACITY?**

6 A. Yes. MGE is also allowed to retain a graduated percentage of pre-tax margins  
7 from off-system sales and capacity releases, albeit at different levels than LAC's.  
8 These adjustments effectively eliminate the Company's portion of income  
9 realized in utility operating income during the test year. This adjustment can be  
10 found on Schedule MRN-D1, H-1.

11 **GROSS RECEIPTS TAXES**

12 **Q. PLEASE EXPLAIN IN MORE DETAIL THE PURPOSE OF THE**  
13 **ADJUSTMENT TO TAXES OTHER THAN INCOME RELATED TO**  
14 **GROSS RECEIPTS TAX EXPENSE**

15 A. In Schedules MRN-D1 and MRN-D2, gross receipts tax adjustments have been  
16 documented in Schedule H-1, both of which normalize gross receipts tax expense  
17 related to certain municipalities that were recorded in test year revenues. Gross  
18 receipts taxes are levied upon and collected by the Company as a license to do  
19 business in certain municipalities that impose a license tax on gas sales. All gross  
20 receipts taxes billed to customers are recorded in the billing month as revenues,  
21 and are ultimately expensed in the current or subsequent months as appropriate.  
22 The adjustment to revenues per book is necessary to eliminate net revenues during  
23 the test year resulting from timing differences in recognizing revenues and

1 expenses related to these particular municipalities, thereby eliminating any impact  
2 on revenue requirement as a result of obligations imposed on Laclede to collect  
3 and remit gross receipts taxes on behalf of these municipalities.

4 **WEATHER NORMALIZATION**

5 **Q. WHAT IS THE PURPOSE OF THE WEATHER NORMALIZATION**  
6 **ADJUSTMENT?**

7 A. Since the customer base of both operating units are primarily made up of space-  
8 heating customers, weather plays a major role in the level of revenues and gas  
9 costs incurred throughout a 12-month period. Therefore, test year margin must be  
10 adjusted to a weather normalized basis, since actual weather can vary from  
11 normal levels.

12 **Q. PLEASE DESCRIBE THE PURPOSE OF THIS ADJUSTMENT SPECIFIC**  
13 **TO LAC.**

14 A. LAC is currently operating under a weather-mitigated rate design that has been in  
15 effect in its current form since the conclusion of Case No. GR 2007-0208. For the  
16 distribution portion of the bill, this rate design significantly reduces customers'  
17 exposure to very cold winter temperatures, and limits Laclede Gas' exposure to  
18 warmer than normal weather. However, recent history has shown that weather  
19 volatility, especially if it occurs during shoulder months, such as November and  
20 April, can significantly impact margins. During the test year, LAC experienced  
21 18% warmer than normal weather, based on a 10-year average of heating degree  
22 days ("HDDs"). Therefore, the weather normalization adjustment restates test  
23 year volumes and associated revenues for the residential class and each general

1 service customer class to reflect volumes and revenue that would have been  
2 experienced if normal weather had occurred during this test year. This revenue  
3 adjustment to test year margin is outlined in MRN-D2, H-2, Line 2.

4 **Q. PLEASE DESCRIBE THE PURPOSE OF THIS ADJUSTMENT SPECIFIC**  
5 **TO MGE.**

6 A. Although MGE collects a large portion of its distribution rates via its customer  
7 charge, MGE does not have a weather-mitigated rate design like LAC. Therefore,  
8 above the customer charge, MGE is exposed to significant variability in the level  
9 of sales volumes and revenue incurred throughout a 12-month period, but  
10 especially during peak winter months. As with LAC, MGE also experienced  
11 significantly warmer weather patterns throughout the test year. The weather  
12 normalization adjustment will increase MGE's test year volumes and revenues to  
13 the appropriate level assuming normal weather. This revenue adjustment to test  
14 year margin is outlined in Schedule MRN-D1, H-2, Line 2

15 **Q. WHAT MEASURE OF NORMAL WEATHER DID YOU USE FOR THE**  
16 **ADJUSTMENTS?**

17 A. Data from the National Oceanographic and Atmospheric Administration  
18 ("NOAA") was used when determining normal weather. LAC data is compiled  
19 from the St Louis station, which is located at Lambert International Airport and  
20 MGE data is compiled from the Kansas City station located at the Kansas City  
21 International Airport. Multiple ranges of historical data were compared, using  
22 periods of 30-year and 10-year averages, and then compared to the published  
23 NOAA's 30-year daily normal HDDs. As the data suggests, HDDs have been in



1 decline since the mid-1980s. Therefore, weather normalization calculations for  
2 LAC and MGE use a 10-year normal due to the higher correlation and better fit  
3 with the trend over the last several decades, which was then applied to the billing  
4 cycle schedule to calculate normal billing cycle degree days for the test year.

5 **Q. WHAT LEVEL OF HEATING DEGREE DAYS ARE YOU SPONSORING**  
6 **IN YOUR ADJUSTMENT FOR LAC?**

7 A. For LAC, a 10-year normal of 4,376 HDDs was calculated and used in the  
8 weather normalization adjustment. This total was applied to our billing cycle  
9 schedule to determine each month's level of billing cycle degree days and used  
10 for each winter month's regression calculation.

11 **Q. WHAT LEVEL OF HEATING DEGREE DAYS ARE YOU SPONSORING**  
12 **IN YOUR ADJUSTMENT FOR MGE?**

13 A. For MGE, a 10-year normal was also used, which resulted in 5,041 HDDs for the  
14 test year. This total was then allocated appropriately across the billing cycle  
15 schedule.

16 **Q. WHAT IS THE SIGNIFICANCE OF USING HEATING DEGREE DAYS**  
17 **ON A BILLING CYCLE BASIS?**

18 A. HDDs recorded on a calendar day basis have been converted to a billing cycle  
19 basis to reflect the cycle method of billing used by both operating units. Although  
20 revenue is recognized on a calendar month basis for financial reporting purposes  
21 to record revenues and the related cost of gas for all gas delivered during a month,  
22 the underlying records are maintained on a billing cycle basis, with a separate  
23 unbilled entry completed each month to adjust to a calendar month basis. The

1 unbilled revenue accrual adjustments that I am sponsoring reverses this entry,  
2 effectively returning the income statements to a cycle basis, thereby recognizing  
3 revenue based on metered usage billing to customers throughout each month for  
4 the entire test year.

5  
6 **Q. PLEASE EXPLAIN THE WEATHER NORMALIZATION ADJUSTMENT**  
7 **METHOD AND CALCULATION FOR LAC.**

8 A. Weather-related volume adjustments and revenues are primarily based on  
9 statistical relationships between volumes and temperatures. For LAC, regression  
10 analysis was used as a starting point utilizing various time scenarios to aid in this  
11 analysis. LAC's rate design can prove challenging when analyzing regression  
12 results, primarily in the heating season when there is extreme weather sensitive  
13 volatility in the shoulder months. To address this, regression analysis was  
14 completed on each winter month for the past 5 years for the residential class and  
15 each general service rate class, Commercial and Industrial Class 1, Class 2, and  
16 Class 3, and analyzed for reliability. This output for each heating season month  
17 was then used to calculate a normal winter block 1 and total use per bill for each  
18 of these rate classes.

19 **Q. WHAT APPROACH WAS USED TO NORMALIZE USAGE FOR THE**  
20 **NON-HEATING SEASON?**

21 A. A different approach was used to calculate normal non-heating season usage. A  
22 simple 5-year average was used to calculate summer block 1 use per bill and total  
23 use per bill for each rate class – Residential, and Commercial and Industrial Class  
24 1, Class 2, and Class 3 – then analyzed for trends in base usage. Outside of the

1 shoulder months for LAC, the non-heating season experiences less volatility with  
2 the weather; therefore, HDDs do not have the impact experienced in the heating  
3 season months. It was decided that calculating statistical regression against  
4 HDDs was irrelevant for the purposes of normalizing non-heating season weather;  
5 therefore, simple averages were used to calculate base non-heating season usage.  
6 Once normal block 1 and total use per bill were determined for each rate class,  
7 block 2 was calculated by removing block 1 from the total. The normalized block  
8 1 and block 2 use per bill amounts were then subtracted from the respective actual  
9 block 1 and block 2 use per bill amounts for each month of the test year, then  
10 multiplied by the number of actual bills in each test year month to calculate  
11 normalized block 1 and block 2 therm adjustments. These therm adjustments  
12 were then applied to the current rate design to calculate the adjustment to net  
13 revenues for each rate class. As noted above, this revenue adjustment to test year  
14 margin is outlined in MRN-D2, H-2, Line 2.

15  
16 **Q. PLEASE EXPLAIN THE WEATHER NORMALIZATION ADJUSTMENT**  
17 **METHOD AND CALCULATION FOR MGE.**

18 A. Statistical regression output was used to calculate a test year basis for normal.  
19 Since MGE does not operate under a weather-mitigated rate design and does not  
20 have blocked rates for the general service classes this calculation is relatively  
21 straight-forward and easy, and the use per bill calculated from the regression  
22 output was used to determine normal volumes and revenues. Results were in line  
23 with expectations when reviewed at a macro level. Once total normalized use per  
24 bill was calculated for each MGE rate class, Residential, Small General Service,

1 and Large General Service, normal use per bill was subtracted from actual use per  
2 bill and multiplied by the number of actual bills in each month of the test year.  
3 The resulting therm adjustments were then converted to CCF, which is MGE's  
4 billing unit of measure, and applied to the rate design to determine the appropriate  
5 level of revenue adjustment. As noted above, this revenue adjustment to test year  
6 margin is outlined in Schedule MRN-D1, H-2, Line 2.

7 **Q. PLEASE CONFIRM THE VARYING UNITS OF MEASURE USED IN**  
8 **BILLING.**

9 A. In Laclede's billing system, MGE and LAC bill under separate units of  
10 measurement; MGE bills in ccf (hundred cubic feet by volume), and LAC bills in  
11 therms (which includes the heat, or energy, content of the gas). All billing reports  
12 are given in the applicable unit of measure billed. However, for financial  
13 reporting purposes, MGE ccf usage is converted to therms by using a standard  
14 multiplication factor of 1.02. This is because we issue financial reports through  
15 the parent company, and must report all volumes on the same unit of measure.  
16 For purposes of MGE normalization, usage was calculated on a therm basis, and  
17 then converted to the billing measure ccf when applying the rate design to  
18 calculate revenue adjustments. I should note that Laclede is proposing to  
19 eliminate this difference in billing conventions on a going forward basis. As  
20 discussed in the direct testimony of Laclede witness Weitzel, Laclede is proposing  
21 to achieve this goal by converting MGE to therm billing.

1 CUSTOMER COUNT ANNUALIZATION

2 **Q. PLEASE EXPLAIN THE REVENUE ADJUSTMENT MADE TO**  
3 **REFLECT CHANGES IN RESIDENTIAL AND CLASS 1 GENERAL**  
4 **SERVICE CUSTOMERS FOR LAC.**

5 A. During the test year, LAC experienced increases in both the number of its  
6 residential and small commercial (Class 1) customers billed at the General  
7 Service rate. Schedule MRN-D2, H-2, Line 4, adjusts revenues to an annualized  
8 level that includes these changes in customer levels as if those levels had been  
9 experienced for the full year. Furthermore, the adjustment reflects revenues  
10 related to projected customer changes through September 30, 2017.

11 **Q. PLEASE EXPLAIN THE REVENUE ADJUSTMENT MADE TO**  
12 **REFLECT CHANGES IN RESIDENTIAL AND SMALL GENERAL**  
13 **SERVICE CUSTOMERS FOR MGE.**

14 A. MGE experienced increases in its residential customer class, but a decrease in the  
15 small general service customer base. Schedule MRN-D1, H-2, Line 4 adjusts  
16 revenues to an annualized level that includes these changes in customer levels as  
17 if those levels had been experienced for the full year. Furthermore, the  
18 adjustment reflects revenues related to projected customer changes through  
19 September 30, 2017.

20 **Q. WHAT IS THE BASIS FOR THIS ADJUSTMENT?**

21 A. This overall residential and small commercial customer adjustment reflects  
22 annualized customer changes based on the number of bills for the period ended

1 January 2017 compared to January 2016, with the same rate of change applied  
2 through September 30, 2017.

3 **CUSTOMER RATE SWITCHING/LARGE USER CHANGES**

4 **Q. PLEASE DISCUSS THE RATE SWITCHING AND CLASSIFICATION**  
5 **ADJUSTMENTS FOR LAC**

6 A. Customer rate switching and classification adjustments are completed as part of  
7 the rate case process. Test year bills, usage, and revenue are normalized to reflect  
8 customers who switched rates throughout the test year, as well as adjusted for  
9 customers who will change customer classes based on an annual usage review  
10 exercise. Rate switching adjustments include customers who did change rates  
11 during the test year. For example, if a LAC commercial class 3 customer  
12 switched to class 2 for various reasons during the middle of the test year, revenues  
13 were normalized to the rate they switched to for all 12 months and removed from  
14 the original rate being billed. Data from the billing system was compiled and  
15 reviewed for not only large users but also general service rate classes. This  
16 adjustment is shown in Schedule MRN-D2, H-2, Line 3.

17 **Q. WHAT ELSE DOES YOUR RATE CLASSIFICATION ADJUSTMENTS**  
18 **INCLUDE?**

19 A. Rate Classification adjustments also include customers who should switch rates  
20 based on their annual usage level. For LAC, these customers were reviewed  
21 based on their actual usage, and any customer with usage more than 20% from the  
22 tariff-determined annual usage level was switched to a different rate and then  
23 weather adjusted. Therms were then applied to the rate design according to the

1 rate class they should be moved to, and subtracted from the rate design from the  
2 rate class they were in. The net revenue impact of all of the above LAC changes  
3 resulted in a \$1.1 million reduction in operating revenue, shown in Schedule  
4 MRN-D2, H-2, Line 5.

5 **Q. PLEASE DISCUSS THE RATE SWITCHING AND CLASSIFICATION**  
6 **ADJUSTMENTS FOR MGE**

7 A. Rate switching adjustments include MGE customers who did change rates during  
8 the test year, following a similar process as was used for LAC. These adjustments  
9 are documented in MRN-D1, H-2, Line 3. MGE customers in the Small General  
10 Service and Large General Service rate classes were also reviewed for possible  
11 rate classification adjustments, with weather impact noted, and a number of  
12 customers were moved between these two rate classifications, resulting in a net  
13 revenue decrease of approximately \$0.5 million in the test year, as shown in  
14 MRN-D1, H-2, Line 6.

15 **Q. WAS AN ADJUSTMENT ALSO MADE TO REFLECT THE COMPANY'S**  
16 **PROPOSAL RELATING TO HOW LANDLORD'S ARE BILLED WHEN**  
17 **A PREMISE IS TEMPORARILY UNOCCUPIED OR SIMPLY IN THE**  
18 **LANDLORD'S NAME?**

19 Yes. Also reflected in the MGE normalized billing determinants are the customers  
20 on the Commercial-domestic use rate design. Examples of customers in this class  
21 are landlords who retain gas service in-between tenant customers. The billing  
22 determinants were adjusted to assume this class is always billed at Residential  
23 rates, consistent with our proposal in this case instead of commercial rates when

1 in the landlord's name and residential when in the tenant's name. The test year  
2 revenues reflect this net impact of \$2.1 million of reduced income to MGE  
3 resulting from this rate classification change, shown in MRN-D1, H-2, Line 5.  
4 Additional detail can be found in the direct testimony of Laclede witness Noack,  
5 who is sponsoring this adjustment to revenues.

6 **Q. ARE THERE OTHER ADJUSTMENTS YOU MADE WITH RESPECT TO**  
7 **LARGE USERS?**

8 A. Yes, an adjustment was made to reflect a normalized level of unauthorized use  
9 charges for LAC's basic transportation customers. During the test year ended  
10 December 31, 2016, this group of customers was billed a lower than normal level  
11 of unauthorized use charges due to zero days of limitation during the test year.  
12 This adjustment increases revenues related to unauthorized use charges to a  
13 normal level based on the average number of days of limitation per year since the  
14 year that the unauthorized charge commenced, which is embedded in the  
15 Customer Growth annualization adjustment in Schedule MRN-D2, H-2, Line 4.  
16 In addition, adjustments were made to reflect a normalized level of demand  
17 charges to be billed to LAC's transportation customers. Test Year Margin  
18 revenues related to billing demand charges for transportation customers were  
19 adjusted upwards to current contracted January 2017 levels, which can be found  
20 embedded in the Customer Growth annualization on Schedule MRN-D2, H-2,  
21 Line 4.



**RATES USED IN CALCULATING ADJUSTMENTS**

1  
2 **Q. WHAT RATES HAVE YOU USED TO PRICE OUT THE REVENUE**  
3 **ADJUSTMENTS MADE TO THE TEST YEAR UTILITY OPERATING**  
4 **INCOME RELATED TO ON-SYSTEM SALES LEVELS FOR LAC?**

5 A. LAC's revenue adjustments related to on-system sales have been calculated using  
6 the non-gas rates in LAC's tariffs, effective July 8, 2013, that are designed to  
7 recover its cost of service, other than the cost of purchased gas.

8 **Q. WHAT RATES HAVE YOU USED TO PRICE OUT THE REVENUE**  
9 **ADJUSTMENTS MADE TO THE TEST YEAR UTILITY OPERATING**  
10 **INCOME RELATED TO ON-SYSTEM SALES LEVELS FOR MGE?**

11 A. For MGE, revenue adjustments related to on-system sales have been calculated  
12 using the non-gas rates in MGE's tariffs, effective May 1, 2014, that are designed  
13 to recover its cost of service, other than the cost of purchased gas.

14 **Q. HOW WERE OTHER COSTS AND REVENUES ACCOUNTED FOR**  
15 **UNDER PURCHASED GAS ADJUSTMENT CLAUSE HANDLED?**

16 A. The Purchased Gas Adjustment (PGA) Clause included in the rate schedules of  
17 both operating units provides for current recovery of projected gas cost levels and  
18 for deferred recovery of other gas cost price differences. Changes in the PGA rate  
19 are made on a prorated basis for billing purposes, based on number of days at the  
20 respective rate. In addition, differences that occur between PGA revenue  
21 recovery and experienced gas cost are adjusted through the ACA deferral. In both  
22 Schedules MRN-D1 and MRN-D2, all purchased gas cost and expense  
23 adjustments have been documented in Schedule H-3. Since all gas costs have

1           been removed from the income statement, we have not adjusted revenues for PGA  
2           rates in our individual adjustments of revenue. This makes some of the  
3           adjustments less complicated and has absolutely no impact on the Company's pro  
4           forma operating income because in each case we use non-gas rates to calculate  
5           revenue. In other words, if we had changed PGA revenue, we would also have  
6           changed expenses by the adjusted natural gas cost and the result would have been  
7           the same operating income as the one calculated in our filing. In addition, we  
8           have not adjusted for gross receipts taxes in the revenue adjustments because if  
9           we had done so, we would have again adjusted exactly the same amount of dollars  
10          in the expense account for Taxes Other Than Income. As with the PGA, we have  
11          eliminated several calculations without changing the net result.

12  
13    Q.     **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

14    A.     Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's )  
Request to Increase its Revenues for Gas ) File No. GR-2017-0215  
Service )

In the Matter of Laclede Gas Company )  
d/b/a Missouri Gas Energy's Request to ) File No. GR-2017-0216  
Increase its Revenues for Gas Service )

AFFIDAVIT

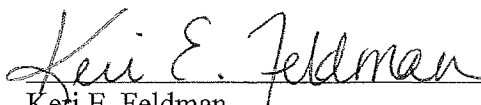
STATE OF MISSOURI )  
) SS.  
CITY OF ST. LOUIS )

Keri E. Feldman, of lawful age, being first duly sworn, deposes and states:

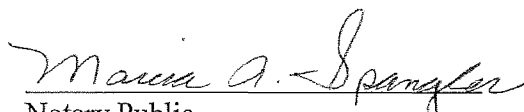
1. My name is Keri E. Feldman. I am Manager, Operations Accounting for Laclede Gas Company. My business address is 700 Market St., St Louis, Missouri, 63101.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Laclede Gas Company and MGE.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

  
Keri E. Feldman

Subscribed and sworn to before me this 3rd day of April 2017.

  
Notary Public