

Exhibit No.:  
Issues: Customer Growth Revenues  
Witness: ARLENE S. WESTERFIELD  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: True-Up Testimony  
Case No.: GR-99-315

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**TRUE-UP TESTIMONY**

**OF**

**ARLENE S. WESTERFIELD**

**LACLEDE GAS COMPANY**

**CASE NO. GR-99-315**

*Jefferson City, Missouri  
October, 1999*

**FILED**

OCT 1 1999

Missouri Public  
Service Commission

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2 **TRUE-UP TESTIMONY**  
3 **OF**  
4 **ARLENE S. WESTERFIELD**  
5 **LACLEDE GAS COMPANY**  
6 **CASE NO. GR-99-315**  
7

8 Q. Please state your name and business address.

9 A. Arlene S. Westerfield, 815 Charter Commons, Suite 100B, Chesterfield,  
10 Missouri 63017.

11 Q. Are you the same Arlene S. Westerfield who has previously filed direct,  
12 rebuttal and surrebuttal testimony in this case?

13 A. Yes, I am.

14 Q. What is the purpose of this true-up testimony?

15 A. The purpose of this true-up testimony is to discuss the Staff's true-up  
16 calculations regarding customer revenue annualizations.

17 Q. Has the Staff performed its calculations in a manner consistent with the  
18 methodology used to calculate the adjustments reflected in the Partial Stipulation and  
19 Agreement (Stipulation) in this case?

20 A. Yes. The Staff and Laclede Gas Company (Laclede or Company) agreed  
21 to the methodology for computing customer revenue annualizations at the time this issue  
22 was negotiated for settlement purposes.

1           Q.     Please discuss the agreement between the Staff and the Company  
2 regarding this issue.

3           A.     The Staff and the Company agreed to each update their revenue  
4 annualizations, using the originally filed methodologies, based on the customer levels  
5 through July 31, 1999. In accordance with methodology used to arrive at the adjustments  
6 reflected in the Stipulation any difference between the Staff's and the Company's  
7 annualizations was to be equally split. The Staff has performed its calculations according  
8 to this agreement.

9           Q.     Is it the policy of this Commission to allow changes in methodology  
10 during true-up?

11          A.     No. The determination of true-up, based on past Commission practice,  
12 does not allow for changes in methodology or position. These items are designed to be  
13 addressed during the evidentiary hearing.

14          Q.     Is the Company proposing that the Staff change its methodology?

15          A.     Yes. The Company would like the Staff to change one of the components  
16 of its calculation for the annualization of revenues for customer growth.

17          Q.     Why does the Staff believe this is inappropriate?

18          A.     The Staff believes that it is inappropriate for the Company to request that  
19 the Staff change its methodology, particularly at this late stage of the process. Had the  
20 Company disagreed with the Staff's method for calculating this adjustment it should have  
21 been discussed much earlier in the process or been an item at issue during the evidentiary  
22 hearings. The Staff's methodology for calculating its annualized revenues for customer  
23 growth has been used consistently for the last three Laclede cases.

1 Q. Do you believe that the Staff's calculations produce reasonable results?

2 A. Yes. Compared to the historical customer levels we believe the results  
3 produced by the Staff's calculations are reasonable.

4 Q. How did the results of your calculation compare to the revenues included  
5 in the initial true-up estimate?

6 A. The actual true-up results produced higher annualized revenues than were  
7 calculated for the true-up estimate.

8 Q. How was the true-up estimate calculated?

9 A. Since the true-up would include additional customers from the end of  
10 March through the end of July, Staff simply included one-third of the Staff's annualized  
11 customer growth revenue adjustment to estimate additional growth. Because the Staff  
12 did not know the actual customer levels in July at the time of its filing, the Staff used this  
13 simplified convenient calculation to estimate the value of customer growth revenues for  
14 true-up. This calculation in no way reflected the complex detailed process actually  
15 required to be performed to determine the Staff's annualized revenues using its filed  
16 methodology.

17 Q. Does this conclude your true-up testimony?

18 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

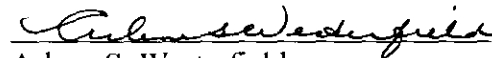
**OF THE STATE OF MISSOURI**

In the Matter of )  
Laclede Gas Company's Tariff ) Case No. GR-99-315  
to Revise Natural Gas Rate Schedules. )

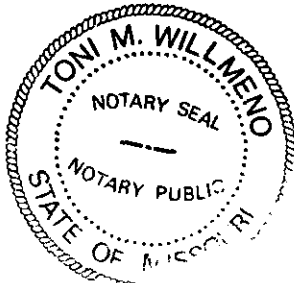
**AFFIDAVIT OF ARLENE S. WESTERFIELD**

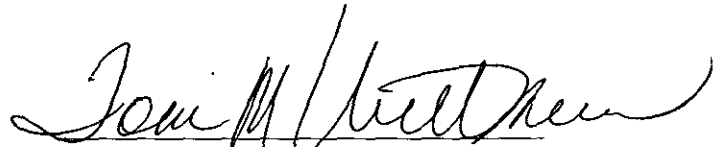
STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

Arlene S. Westerfield, of lawful age, on her oath states: that she has participated in the preparation of the foregoing True-up Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing True-up testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

  
Arlene S. Westerfield

Subscribed and sworn to before me this 15 day of October 1999.



  
Toni M. Willmeno  
Notary Public, State of Missouri  
County of Callaway  
My Commission Expires June 24, 2000