

Exhibit No.:	
Issue:	Accounting Schedules
Witness:	Elizabeth E. Wotawa
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Laclede Gas Company
Case No.:	GR-2010-
Date Testimony	
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LACLEDE GAS COMPANY

GR-2010-

DIRECT TESTIMONY

OF

ELIZABETH E. WOTAWA

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1 **DIRECT TESTIMONY OF ELIZABETH E. WOTAWA**

2 Q. Please state your name and business address.

3 A. My name is Elizabeth E. Wotawa, and my business address is 720 Olive St., St. Louis,
4 Missouri, 63101.

5 Q. What is your present position?

6 A. I am presently employed as a Senior Business Analyst in Financial Services for Laclede
7 Gas Company ("Laclede" or "Company"). I have held this position since I joined Laclede
8 in January 2006.

9 Q. What is your educational background?

10 A. I graduated from Tulane University in New Orleans, Louisiana in May 2004 with a
11 Bachelor of Science in Management. In May 2009, I earned my Masters of Science in
12 Finance from Saint Louis University in St. Louis, Missouri.

13 Q. Have you previously filed testimony before this Commission?

14 A. No.

15 **PURPOSE OF TESTIMONY**

16 Q. What is the purpose of your testimony?

17 A. The purpose of my testimony is to provide support for the Company's filing in the
18 following areas:

- 19 1. The balances of Customer Financing Programs for inclusion in the determination
20 of rate base and a rate base offset for Customer Deposits; and
- 21 2. Income Statement adjustments related to interest on customer financing programs,
22 interest expense on customer deposits, dental and vision expenses, MPSC
23 assessment, rent expense, rate case expenses, and 401(k) expenses.

1 Q. Please list the schedules you are sponsoring.

2 A. I am sponsoring certain adjustments to Schedules 1 and 5, as discussed in this direct
3 testimony.

4 **ADJUSTMENTS TO RATE BASE**

5 ***A. Customer Financing Programs***

6 Q. What items are you sponsoring for inclusion in the Company's original cost rate base
7 (Schedule 1)?

8 A. I am sponsoring an item that reflects the impact on rate base of the Insulation Financing
9 and EnergyWise Programs. The Insulation Financing Program (IFP) is a program under
10 which the Company grants loans to eligible residential customers for the purpose of
11 making certain home energy conservation improvements. The EnergyWise Program is a
12 program under which the Company makes financing available to eligible residential and
13 commercial customers for the purchase and installation of high efficiency natural gas
14 heating equipment, air conditioners or certain other energy-efficient appliances and
15 related equipment. An IFP loan balance at September 30, 2009 is included in rate base.
16 Also included in rate base is an EnergyWise loan balance at September 30, 2009. It
17 should be noted that I have also included a related miscellaneous revenue adjustment
18 (Adjustment 1.n., Schedule 5) to include the offset to cost of service provided by the
19 interest charges applied to IFP and EnergyWise loans.

20 ***B. Customer Deposits***

21 Q. Are you sponsoring any other rate base adjustments?

1 A. Yes, I am also sponsoring customer deposits as a deduction to the Company's rate base. I
2 have included a related customer accounts expense adjustment (Adjustment 5.b. of
3 Schedule 5) to reflect the impact of interest expense applied to customer deposits.

4 **ADJUSTMENTS TO UTILITY OPERATING INCOME**

5 Q. Please explain the adjustments you are sponsoring to utility operating income.

6 A. I am sponsoring several adjustments to the income statement relating to customer
7 financing programs, customer deposit interest expense, health care costs, dental and
8 vision insurance costs, Missouri Public Service Commission assessments, rent, rate case
9 expense and 401(k) expense. These adjustments appear on Schedule 5 and are discussed
10 below.

11 ***A. Customer Financing Programs***

12 Q. Please discuss your operating expense adjustment regarding the IFP and EnergyWise
13 Programs.

14 A. Adjustment 1.n. increases revenues to reflect interest income from the IFP and
15 EnergyWise Programs. This adjustment is consistent with the inclusion of loan balances
16 in rate base as I previously mentioned.

17 ***B. Customer Deposit Interest Expense***

18 Q. Please discuss your adjustment to customer deposit expense.

19 A. Adjustment 5.b. increases customer accounts expense to reflect interest expense related to
20 customer deposits. This adjustment is consistent with the inclusion of customer deposit
21 balances in rate base as I previously mentioned.

1 ***C. Health Care Costs***

2 Q. What adjustment are you sponsoring for health care costs at this time?

3 A. None at this time. Due to changes in the health care plan offerings and employee
4 contribution levels, continuing significant inflation in the cost of providing health care
5 benefits, and changes resulting from the 2008 labor contract signed with Locals 11-6 and
6 11-194, the correct level of health care costs for this proceeding would most
7 appropriately be based on costs for the 12 months ended March 2010, the requested
8 update period in this case.

9 ***D. Dental and Vision Insurance Costs***

10 Q. Please discuss the adjustment made to dental and vision insurance costs.

11 A. Adjustment 6.d. reflects an increase in the cost of dental insurance to reflect current cost
12 levels. This adjustment should be updated for the actual employee levels at March 31,
13 2010 and new rates and plan participation as of August 1, 2010. Adjustment 6.e. reflects
14 an increase in the cost of vision insurance to reflect current cost levels. The level of
15 vision insurance costs for this proceeding would most appropriately be based on costs for
16 the 12 months ended March 2010, the requested update period in this case.

17 ***E. Missouri Public Service Commission Assessment***

18 Q. Please discuss your adjustment relating to the Missouri Public Service Commission's
19 assessment.

20 A. Adjustment 6.f. increases Regulatory Commission expense to the annual level of
21 assessment as of July 1, 2009. The 2010 assessment will be known in late June and
22 should be used in the final determination of rates.

1 ***F. Rent Expense***

2 Q. Please discuss your adjustment to rent expense.

3 A. Adjustment 6.g. adjusts rent expense to the annualized January 2009 level based on the
4 Company's lease agreement for its main office.

5 ***G. Rate Case Expense***

6 Q. Please explain your next adjustment relating to rate case expense.

7 A. Adjustment 6.j. adjusts test year expense to reflect anticipated levels of out-of-pocket
8 costs to be incurred by the Company in connection with this proceeding, amortized over
9 two years.

10 ***H. 401(k) Expense***

11 Q. What adjustment have you made to 401(k) expenses?

12 A. Company contributions to 401(k) Wage and Salary Deferral Savings Plans have been
13 normalized to reflect the adjusted wage and salary levels in Adjustment 6.c.

14 Q. Does this conclude your direct testimony?

15 A. Yes.

In the Matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate Schedules) Case No. GR-2010-_____

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

1. My name is Elizabeth E. Wotawa. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Senior Business Analyst-Financial Services of Laclede Gas Company.

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.

Elizabeth E. Wotawa

Subscribed and sworn to before me this 4th day of December, 2009.

Karen A. Justine
Notary Public