

Exhibit No.:
Issues: *Tariff Issues*
Witness: *Lesa A. Jenkins*
Sponsoring Party: *MO PSC Staff*
Type of Exhibit: *Supplemental*
Direct Testimony
Case No.: *GT-2010-0261*
Date Testimony Prepared: *May 25, 2010*

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

SUPPLEMENTAL DIRECT TESTIMONY
OF
LESA A. JENKINS

MISSOURI GAS ENERGY
CASE NO. GT-2010-0261

Jefferson City, Missouri
May, 2010

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TABLE OF CONTENTS
SUPPLEMENTAL DIRECT TESTIMONY
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LESA A. JENKINS
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EXECUTIVE SUMMARY 2

TARIFF ISSUES..... 2

 Capacity Release Revenues 3

 General Tariff Provisions for LGS Transportation 4

- List of Schedules:**
- Schedule 1: Educational and Professional Background
- Schedule 2: Summary of Testimony and Staff ACA Recommendations

1 **SUPPLEMENTAL DIRECT TESTIMONY**

2 **OF**

3 **LESA A. JENKINS**

4 **MISSOURI GAS ENERGY**

5 **CASE NO. GT-2010-0261**

6 Q. Please state your name and business address.

7 A. Lesa A. Jenkins, P.O. Box 360, Jefferson City, MO 65102.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission (Commission), as
10 Regulatory Engineer in the Procurement Analysis Department

11 Q. Please describe your educational and professional background.

12 A. My educational and professional background is summarized in Schedule 1,
13 attached to this testimony.

14 Q. Please describe your duties while employed by the Commission?

15 A. My duties at the Commission include investigating and reviewing natural gas
16 local distribution companies' analyses and decisions to assure reliability of gas supply,
17 transportation, and storage capabilities. I also participate in the review of energy efficiency
18 programs of Missouri natural gas local distribution companies.

19 Q. Did you file testimony in the Missouri Gas Energy (MGE) rate case,
20 Case No. GR-2009-0355?

21 A. No, I did not.

22 Q. Have you previously filed testimony or Staff Recommendations before
23 this Commission?

1 A. Yes, I have. See Schedule 2, attached to this testimony, for a list of prior cases
2 and issues.

3 Q. What knowledge, skills, experience, training or education do you have in
4 these matters?

5 A. Both my MBA and BSIE degrees provided formalized coursework that gave
6 me knowledge and skills that I use in review of natural gas local distribution companies'
7 (LDC)'s plans. My twenty-seven years of engineering/management work experience provide
8 me with experience from project reviews and I have gained additional knowledge from
9 training courses and review of technical information. Eighteen of these years of work
10 experience relate specifically to energy issues.

11 **EXECUTIVE SUMMARY**

12 Q. Please summarize your testimony in this proceeding.

13 A. Energy marketers have requested MGE lower the usage threshold for
14 customers to be eligible to take service under MGE's Transportation tariffs. Staff's primary
15 concerns are identified in the Supplemental Direct Testimony of Staff Witness
16 Michael J. Ensrud. This testimony will focus only on additional issues that need to be
17 resolved prior to permitting lower thresholds. For purposes of this discussion, Staff will refer
18 to current sales customers who have the potential to become transportation customers, if the
19 usage threshold for the transportation class is lowered, as "Large General Gas Service (LGS)
20 Transport customers".

21 **TARIFF ISSUES**

22 Q. Please summarize the additional tariff issues you discuss.

1 A. Staff is concerned that, absent certain safeguards, MGE's sales customers
2 would pay more for natural gas as a result of the requested tariff changes. The additional
3 tariff issues that must be addressed to safeguard MGE's sales customers are: (1) Capacity
4 Release Revenues, and (2) General Tariff Provisions for LGS Transportation.

5 **Capacity Release Revenues**

6 Q. Please summarize the tariff issue for capacity release revenues.

7 A. Staff recommends that **all** capacity release revenue received for capacity
8 release to any and all LGS transport customers, or their designated agents, should be credited
9 to the Company's actual cost adjustment (ACA) account, in a similar manner as that for
10 capacity release for the School Transportation Program as described in the currently effective
11 Tariff Sheet No. 56.

12 MGE's currently effective Tariff Sheet No. 24.2 provides a gas cost incentive
13 mechanism that permits MGE to share in revenues generated by capacity release and
14 off-system sales. As noted in Mr. Ensrud's Supplemental Direct Testimony, Staff
15 recommends that all LGS Transport customers be required to pay the storage and transport
16 costs that these customers generate, including the transportation reservation costs MGE is
17 billed for the capacity it acquired to serve these customers when they were Sales customers.
18 MGE should not be sharing in revenues for capacity that it releases to LGS transport
19 customers because the capacity was acquired by MGE to serve these customers when they
20 were LGS Sales customers, and MGE will be releasing that capacity to those customers as
21 LGS transport customers. MGE will not have to market this capacity for release to LGS
22 transport customers. Capacity release revenues, including the release rate and volume, from
23 LGS transport customers must be clearly defined in the tariff so that it lessens the chance of it

1 becoming a prudence issue, based on interpretations of various parties, to be decided in later
2 ACA cases.

3 **General Tariff Provisions for LGS Transportation**

4 Q. Please summarize the tariff issue for general transportation provisions

5 A. Staff recommends that general terms and conditions, transportation provisions,
6 electronic gas measurement equipment, and infrastructure replacement surcharge (ISRS) for
7 LGS transport customers be specified in a similar manner as that for the
8 Large Volume Service (LV) transportation customers as described in the currently effective
9 Tariff Sheet No. 45.

10 If General Transportation Provisions for LGS transport customers are clearly defined
11 in the tariff, it lessens the chance of it becoming a prudence issue, based on interpretations of
12 various parties, to be decided in later ACA cases.

13 Q. Does this conclude your “Supplemental Direct Testimony”?

14 A Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

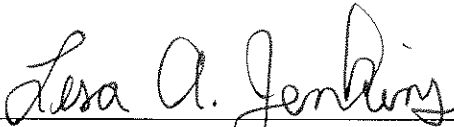
In re Missouri Gas Energy's Revised)
Transportation Tariff)

Case No. GT-2010-0261

AFFIDAVIT OF LESA A. JENKINS

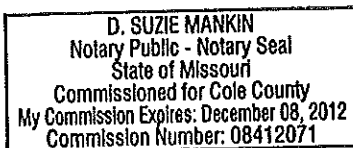
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

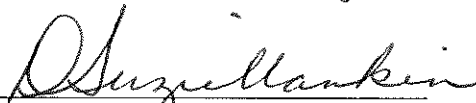
Lesa A. Jenkins, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Supplemental Direct Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Supplemental Direct Testimony were given 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.



Lesa A. Jenkins

Subscribed and sworn to before me this 21st day of May, 2010.





Notary Public

Lesa A. Jenkins
Utility Regulatory Engineer

Educational Background & Certification

Bachelor of Science, Industrial Engineering, Magna Cum Laude and Honors Scholar -
University of Missouri – Columbia

Master of Business Administration - William Woods University

Registered as a professional engineer in the state of Missouri, registration number E-25510

Work Experience

1999 – Current, Missouri Public Service Commission, Procurement Analysis – Regulatory Engineer. My duties include the investigation and review of natural gas reliability/peak day plans of the Missouri natural gas local distribution companies. I have also been involved in the review of energy efficiency programs of Missouri natural gas local distribution companies

Prior Work Experience:

Missouri Department of Natural Resources, Division of Energy. I held various engineering and then management positions with duties related to energy efficiency and alternative fuels, including low-income weatherization program, loan programs, energy efficiency in state facilities, and alternative fuels in state vehicles.

Missouri Department of Natural Resources, Division of Environmental Quality, Solid Waste Management Program. I was employed as an environmental engineer with duties related to regulation of infectious waste, solid waste processing facilities, waste tires, and special waste.

Procter & Gamble. I held positions as a production and quality control/quality assurance team manager in Cape Girardeau, Missouri and then in Cincinnati, Ohio.

**Case Summary Of:
Lesa A. Jenkins**

Summary of Testimony				
Company Name	Type Case	Case Number	Issues	Testimony Filed
Laclede Gas Company	Rate	GR-2010-0171	Company Reliance on On-System Storage; Energy Efficiency Programs and Collaborative	Direct Cost of Service Report, 5/10/10
Laclede Gas Company	Rate	GR-2007-0208	Energy Efficiency and Low-Income Weatherization	Direct 5/04/07
Missouri Gas Energy	ACA	GR-2003-0330, GR-2002-348 Consolidated	Excess Transportation Capacity	Direct 11/23/05, Rebuttal 2/1/06, Surrebuttal 7/19/06
Missouri Gas Energy	Rate	GR-2004-0209	Gas Purchasing Practices	Surrebuttal 6/14/04
Missouri Gas Energy	ACA	GR-2001-382, GR-2000-425, GR-99-304, GR-98-167 Consolidated	Purchasing Practices - Minimum Level of Hedging; Purchasing Practices - Storage; Reliability Analysis	Direct 1/15/03, Rebuttal 3/18/03, Surrebuttal 4/22/03, Supplemental Direct 10/3/03, Supplemental Rebuttal 11/13/03
Aquila, Inc. d/b/a Aquila Networks – MPS	ACA	GR-2000-520 and GR-2001-461 Consolidated	Purchasing Practices-Eastern System; Purchasing Practices-Southern System; Reliability Analysis	Direct 10/24/02, Rebuttal 11/20/02
Atmos Energy Corporation and United Cities Gas Company	ACA	GR-2001-396 and GR-2001-397 Consolidated	Atmos Energy Corporation: Purchasing Practices – General; Purchasing Practices – Southeast Missouri Integrated System; Reliability Analysis	Direct 12/23/02 & 1/31/03, Rebuttal 2/28/03
			United Cities Gas Company: Purchasing Practices – General; Purchasing Practices – Neelyville District; Purchasing Practices – Consolidated District; Reliability Analysis	

ACA and Other Recommendations Filed		
Company Name	Case Number	Filed
2008/2009 ACA Reviews		
Missouri Gas Utilities*	GR-2009-0306	3/17/2010
Southern Missouri Natural Gas	GR-2009-0287	
Expansion Case		
Southern Missouri Natural Gas	GA-2010-0114	11/24/2009
2007/2008 ACA Reviews		
Southern Missouri Natural Gas	GR-2008-0379	4/7/2009
Missouri Gas Utilities*	GR-2009-0161	5/5/2009
Atmos *	GR-2008-0364	12/28/2009
Ameren UE *	GR-2008-0366	12/29/2009
Missouri Gas Energy	GR-2008-0367	12/30/2009
Empire District Gas *	GR-2008-0368	12/30/2009
Laclede Gas Company	GR-2008-0387	12/30/2009
2006/2007 ACA Reviews		
Missouri Gas Utilities*	GR-2008-0136	7/14/2008
Southern Missouri Natural Gas	GR-2007-0484	8/14/2008
Atmos*	GR-2007-0403	12/29/2008
Missouri Gas Energy	GR-2007-0256	12/15/2008 and 6/30/2009
Ameren UE*	GR-2008-0107	12/15/2008
Empire District Gas*	GR-2008-0123	12/31/2008
Laclede Gas Company	GR-2008-0140	12/31/2008
2005/2006 ACA Reviews		
Southern Missouri Natural Gas	GR-2006-0352	6/8/2007
Missouri Gas Utilities	GR-2007-0178	8/16/2007
Ameren UE	GR-2006-0333	9/21/2007
Empire District Gas (Previously Aquila Networks - MPS)	GR-2006-0297	12/17/2007
Fidelity Natural Gas, Inc / Laclede Gas Company	GR-2007-0179	12/31/2007
Atmos	GR-2006-0300	12/31/2007
Missouri Gas Energy	GR-2006-0291	12/31/2007
Laclede Gas Company	GR-2006-0288	12/31/2007
2004/2005 ACA Reviews		
Southern Missouri Natural Gas	GR-2005-0279	4/13/2006
Missouri Gas Utilities	GR-2006-0200	8/30/2006
Aquila Networks - MPS	GR-2005-0271	12/6/2006
Laclede Gas Company	GR-2005-0203	12/28/2006

ACA and Other Recommendations Filed		
Company Name	Case Number	Filed
Missouri Gas Energy	GR-2005-0169	12/29/2006
2003/2004 ACA Reviews		
Laclede Gas Company	GR-2004-0273	12/29/2005
Missouri Gas Energy	GR-2005-0104	12/29/2005
Atmos	GR-2004-0479	11/23/2005
Aquila Networks - MPS	GR-2004-0539	11/21/2005
Aquila L & P	GR-2004-0538 (Consolidated with GR-2004-0539)	
Ameren UE	GR-2005-0102	11/9/2005
Southern Missouri Gas Company	GR-2005-0064	6/8/2005
2002/2003 ACA Reviews		
Laclede Gas Company	GR-2003-0224	12/30/2004
Missouri Gas Energy	GR-2003-0330	12/29/2004
Aquila L & P	GR-2003-0369	12/28/2004
Atmos	GR-2003-0219	12/22/2004
Aquila Networks - MPS	GR-2003-0311	12/22/2004
Southern Missouri Gas Company	GR-2004-0193	5/19/2004
Fidelity Natural Gas, Inc	GR-2003-0323	2/26/2004
2001/2002 ACA Reviews		
Missouri Gas Energy	GR-2002-348	12/19/2003
Atmos	GR-2003-0150	9/15/2003
Aquila Networks - MPS	GR-2002-392	8/15/2003
Aquila L & P (old St. Joseph Light & Power)	GR-2002-468	8/7/2003
Southern Missouri Gas Company	GR-2002-440	5/22/2003
Ameren UE	GR-2002-438	5/15/2003
Fidelity Natural Gas, Inc	GR-2003-0148	3/26/2003
2000/2001 ACA Reviews		
Southern Missouri Gas Company	GR-2001-388	10/31/2002
Atmos - Areas B, K, & S (old ANG)	GR-2001-396	9/30/2002
Atmos - Areas P&U (old United Cities)	GR-2001-397	8/29/2002
Aquila Networks - MPS	GR-2001-461	7/9/2002
Laclede Gas Company	GR-2001-387	6/28/2002
Fidelity Natural Gas, Inc	GR-2001-495	6/28/2002
Missouri Gas Energy (MGE)	GR-2001-382	5/31/2002
Ameren UE	GR-2001-488	2/7/2002
Atmos - Area G (Greeley)	GR-2001-394	1/18/2002
1999/2000 ACA Reviews		

ACA and Other Recommendations Filed		
Company Name	Case Number	Filed
United Cities Gas Company / Atmos	GR-2000-392	8/29/2002
Missouri Public Service /UtiliCorp	GR-2000-520	7/9/2002
Laclede Gas Company	GR-2000-622	3/15/2002
Missouri Gas Energy (MGE)	GR-2000-425	11/27/2001
Ameren UE	GR-2000-579	11/15/2001
Associated Natural Gas (ANG)/ Atmos	GR-2000-573	11/1/2001
St. Joseph Light & Power (SJLP) / UtiliCorp	GR-2000-574	8/28/2001
Southern Missouri Gas Company	GR-2001-39	7/2/2001
Fidelity Natural Gas, Inc	GR-2001-250	6/1/2001
Greeley Gas Company /Atmos	GR-2001-36	5/1/2001
1998/1999 ACA Reviews		
United Cities Gas Company	GR-99-280	9/29/2000
Missouri Public Service (MPS)	GR-99-435	9/1/2000
Laclede Gas Company	GR-99-316	8/14/2000
Missouri Gas Energy (MGE)	GR-99-304	8/1/2000
Associated Natural Gas (ANG)	GR-99-392	8/1/2000
Southern Missouri Gas Company	GR-2000-288	8/1/2000
Ameren UE	GR-99-396	7/31/2000
St. Joseph Light & Power (SJLP)	GR-99-394	6/30/2000
Fidelity Natural Gas, Inc	GR-2000-285	6/30/2000
Greeley Gas Company	GR-2000-319	5/1/2000
<i>* Reviewed engineering work of Derick Miles</i>		