

Exhibit No.:
Issue: Count IV of Staff Complaint –
CAM Submission
Witness: Glenn W. Buck
Type of Exhibit: Direct Testimony
Sponsoring Party: Laclede Gas Company
Case No.: GC-2011-0098
Date Testimony
Prepared: March 22, 2011

LACLEDE GAS COMPANY

GC-2011-0098

DIRECT TESTIMONY

OF

GLENN W. BUCK

DIRECT TESTIMONY OF GLENN W. BUCK

1 Q. Please state your name and business address.

2 A. My name is Glenn W. Buck, and my business address is 720 Olive St., St. Louis,
3 Missouri, 63101.

4 Q. What is your present position?

5 A. I am presently employed as Manager, Financial Services, for Laclede Gas Company
6 ("Laclede" or "Company").

7 Q. Please state how long you have held your position and briefly describe your
8 responsibilities.

9 A. I was appointed to my present position in March, 1999. In this position, I am responsible
10 for the financial aspects of rate matters generally, including financial analysis and
11 planning. I am also responsible for preparing various financial forecasts, overseeing the
12 Company's accounts payable functions, and monitoring regulatory trends and
13 developments.

14 Q. What was your experience with the Company prior to becoming Manager, Financial
15 Services?

16 A. I joined Laclede in August 1986 as a Budget Analyst in the Budget Department. I was
17 promoted to Senior Budget Analyst in June 1988, and transferred to the Financial
18 Planning Department in December 1988 as an Analyst. I was promoted to Senior
19 Analyst in February 1990, Assistant Manager in February 1994, and Manager in January
20 1996. I acted in that capacity until being appointed to my current position.

21 Q. What is your educational background?

1 A. I graduated from the University of Missouri - Columbia, in 1984, with a Bachelor of
2 Science degree in Business Administration.

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

4 A. Yes, I have, in Case Nos. GR-94-220, GR-96-193, GR-99-315, GR-2001-629, GT-2001-
5 329, GR-2002-356, GO-2004-0443, GR-2005-0284, GR-2007-0208, GT-2009-0026, ER-
6 2010-0036, GR-2010-0171, and GC-2011-0006. Further, I provided oral testimony
7 before the Commission regarding the Infrastructure System Replacement Surcharge
8 rulemaking in Case No. AX-2004-0090.

9 **PURPOSE OF TESTIMONY**

10 Q. What is the purpose of your testimony?

11 A. The purpose of my testimony is to present evidence to the Commission regarding the
12 Company's Cost Allocation Manual ("CAM").

13 Q. What is your role regarding the CAM?

14 A. Under my direction and supervision, the Financial Services department is responsible for
15 preparing the monthly journal entries that allocate to affiliates a portion of the cost of
16 shared/support services (such as Directors fees, administrative supplies expense, and
17 rent). Such allocations utilize multiple allocation methodologies. Annually we
18 summarize these monthly entries and costing information into a CAM Annual Report that
19 is submitted to the Staff, Office of Public Counsel, and our Unions. I am also responsible
20 for the periodic interaction we have with Laclede employees to ensure that payroll dollars
21 are being appropriately charged to affiliates. Finally, I have served as the primary liaison
22 to the Staff regarding CAM-related questions, both during the rate case process and at

1 other times when Staff had other informal inquiries, with such inquiries dating as far back
2 as 2003 (questions related to the 2002 Annual Report).

3 Q. Has the Company submitted to Staff its annual reports on the CAM each year?

4 A. Yes. Beginning in 2003, we have submitted to Staff an annual report on our CAM
5 activities each year. I understand that Laclede's CAM Annual Report is entered into
6 EFIS as a non-case submission.

7 Q. Has Laclede provided to Staff a copy of the CAM itself each year?

8 A. Pursuant to the Commission Order in GM-2001-342, we sent Staff the original CAM in
9 December 2001. When we updated the CAM in March 2004, we also sent that version to
10 Staff. We continue to use the March 2004 CAM today. Otherwise, we have directed
11 Staff to the CAM by reference to the CAM in Staff's possession.

12 Q. Has Staff been agreeable to that procedure?

13 A. Yes. As I recall, Staff indicated that it didn't need to be sent the CAM itself each year if
14 there were no changes to it. Staff said doing so would just create more unnecessary
15 paper.

16 Q. In Count IV of Staff's Second Amended Complaint, filed on November 22, 2010, Staff
17 refers to a CAM submitted in December 2004. Did Laclede submit a CAM to Staff in
18 December 2004?

19 A. No, as I indicated above, the first and only revision to the December 2001 CAM was
20 submitted to Staff in March 2004.

21 Q. Did Staff ever express a commitment to review the CAM in its entirety and provide
22 feedback to Laclede on Staff's concerns with the CAM?

1 A. Yes. I recall that several years ago, in response to a request by Laclede, Staff stated that
2 it would review our CAM page by page and provide feedback.

3 Q. Did Staff provide the pledged feedback at that time?

4 A. No.

5 Q. Have you ever discussed the CAM with Staff?

6 A. Yes, I have participated in substantive discussion with Staff about the CAM on more than
7 one occasion.

8 Q. Please describe these discussions.

9 A. During Laclede's 2005 rate case (GR-2005-0284), I participated in a multi-hour meeting
10 with Staff in Jefferson City. The Staff was interested in the nuts and bolts of how the
11 CAM annual report was developed. We mostly discussed cost allocation of shared
12 services. I believe I also explained that the fair market price is used to price gas supply
13 transactions because it is the same as the fully distributed cost.

14 Q. Did Staff express to you any concerns about the CAM or the CAM annual report?

15 A. No, not at that time.

16 Q. What other discussions did you have with Staff about the CAM?

17 A. In the settlement of Laclede's 2007 rate case (Case No. GR-2007-0208), the parties
18 agreed to meet to discuss "any issues or concerns they may have relating to Laclede's
19 Cost Allocation Manual ("CAM"), the compliance of the CAM with the Commission's
20 affiliate transaction rules, and transactions between Laclede and its affiliates."
21 (Unanimous Stipulation and Agreement, p. 21) Thereafter, the parties did meet to discuss
22 affiliate issues.

23 Q. Did Staff express any issues regarding the CAM?

1 A. No. As I recall, most of the discussions centered around Staff's general distaste for
2 affiliate transactions. Staff did raise some issues pertaining to cost allocations, but never
3 discussed any specifics about the CAM or its applicability to gas supply transactions.

4 Q. Have you participated in any CAM-related discussions with Staff since 2007?

5 A. During the pendency of Laclede's last rate case (GR-2010-0171), I participated in
6 multiple meetings and discussions regarding the CAM. In that rate case, the Staff
7 submitted 56 data requests, with well over 100 subparts. The discussions centered on
8 allocation of corporate costs; the Staff declined to discuss gas supply affiliate
9 transactions. Nevertheless, the discussions were productive and the parties reached an
10 understanding regarding corporate cost allocations.

11 Q. Does this complete your direct testimony?

12 A. Yes.

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


The Staff of the Missouri Public Service Commission,)	
)	
)	Complainant,
v.)	
)	Case No. GC-2011-0098
)	
Laclede Gas Company,)	
)	
)	Respondent.

AFFIDAVIT

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

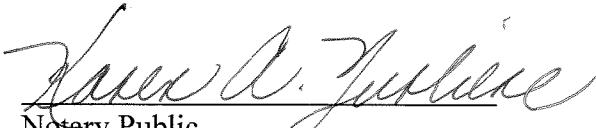
Glenn W. Buck, of lawful age, being first duly sworn, deposes and states:

1. My name is Glenn W. Buck. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Manager-Financial Services of Laclede Gas Company.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, on behalf 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.



 Glenn W. Buck

Subscribed and sworn to before me this 22nd day of March, 2011.



 Notary Public

