

Exhibit No.:	
Issue:	Accounting Schedules
Witness:	Amy L. DeWitte
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Laclede Gas Company
Case No.:	GR-2007-0_____
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LACLEDE GAS COMPANY

GR-2007-0\_\_\_\_\_

DIRECT TESTIMONY

OF

AMY L. DEWITTE

DECEMBER 2006

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1                                    **DIRECT TESTIMONY OF AMY L. DEWITTE**

2     Q.     Please state your name and business address.

3     A.     My name is Amy L. DeWitte, 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").

8     Q.     Will you briefly describe your experience with the Company prior to becoming a Senior  
9           Business Analyst in Financial Services?

10    A.     I joined Laclede in August 2004 as a Business Analyst in the Financial Services  
11           Department. Then, in August 2006, I was promoted to Senior Business Analyst in that  
12           department.

13    Q.     What is your educational background?

14    A.     I graduated from Southern Illinois University at Edwardsville in May 2001 with a  
15           Bachelor of Science degree in Business Administration/Management. In August 2002, I  
16           also received my Masters of Business Administration (MBA) from Southern Illinois  
17           University at Edwardsville.

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

19    A.     No.

20                                    **PURPOSE OF TESTIMONY**

21    Q.     What is the purpose of your testimony?

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

1           1.       The balances of Customer Financing Programs for inclusion in the determination  
2                   of rate base and a rate base offset for Customer Deposits; and

3           2.       Income Statement adjustments related to interest on customer financing programs,  
4                   interest expense on customer deposits, dental and vision expenses, MPSC  
5                   assessment, rent expense, and rate case expenses.

6   Q.     Please list the schedules you are sponsoring.

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

9                                   **ADJUSTMENTS TO RATE BASE**

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

12   A.    I am sponsoring an item that reflects the impact on rate base of the Insulation Financing  
13           and EnergyWise Programs. The Insulation Financing Program (IFP) is a program under  
14           which the Company grants loans to eligible residential customers for the purpose of  
15           making certain home energy conservation improvements. The EnergyWise Program is a  
16           program under which the Company makes financing available to eligible residential and  
17           commercial customers for the purchase and installation of high efficiency natural gas  
18           heating equipment, air conditioners or certain other energy-efficient appliances and  
19           related equipment. An IFP loan balance at September 30, 2006 is included in rate base.  
20           Also included in rate base is an EnergyWise loan balance at September 30, 2006. It  
21           should be noted that I have also included a related miscellaneous revenue adjustment  
22           (Adjustment 1.m., Schedule 5) to include the offset to cost of service provided by the  
23           interest charges applied to IFP and EnergyWise loans.

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

2 A. Yes, I am also sponsoring customer deposits as a deduction to the Company's rate base. I  
3 have included a related customer accounts expense adjustment (Adjustment 4.b. of  
4 Schedule 5) to reflect the impact of interest expense applied to customer deposits.

5 **ADJUSTMENTS TO UTILITY OPERATING INCOME**

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

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

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

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

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

17 A. Adjustment 4.b. increases customer accounts expense to reflect interest expense related to  
18 customer deposits. This adjustment is consistent with the inclusion of customer deposit  
19 balances in rate base as I previously mentioned.

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

21 A. None at this time. Due to changes in the health care plan offerings and employee  
22 contribution levels, continuing significant inflation in the cost of providing health care  
23 benefits, and changes resulting from the 2004 labor contract signed with Locals 5-6 and

1 5-194, the correct level of health care costs for this proceeding would most appropriately  
2 be based on costs for the 12 months ended July 2007, the requested true-up period in this  
3 case.

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

5 A. Adjustment 5.d. reflects an increase in the cost of dental insurance to reflect current cost  
6 levels. This adjustment should be updated for the actual employee levels at July 31, 2007  
7 and new rates and plan participation as of August 1, 2007. Adjustment 5.e. reflects an  
8 increase in the cost of vision insurance to reflect current cost levels. The level of vision  
9 insurance costs for this proceeding would most appropriately be based on costs for the 12  
10 months ended July 2007, the requested true-up period in this case.

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

13 A. Adjustment 5.f. increases Regulatory Commission expense to the annual level of  
14 assessment as of July 1, 2006. The 2007 assessment will be known in late June and  
15 should be used in the final determination of rates.

16 Q. Please discuss your adjustment to rent expense.

17 A. Adjustment 5.g. adjusts rent expense to the annualized January 2007 level based on the  
18 Company's lease agreement for its main office.

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

20 A. Adjustment 5.i. adjusts test year expense to reflect anticipated levels of out-of-pocket  
21 costs to be incurred by the Company in connection with this proceeding, amortized over  
22 three years.

23 Q. Does this conclude your direct testimony?

1     A.     Yes.

