

Exhibit No.:
Issue:
Witness:
Type of Exhibit:
Sponsoring Party:
Case No.:

Accounting Schedules
Kenneth M. Beerup Jr.
Direct Testimony
Laclede Gas Company
GR-2001-629

FILED³
MAY 18 2001
Missouri Public
Service Commission

LACLEDE GAS COMPANY

GR-2001-629

DIRECT TESTIMONY

OF

KENNETH M. BEERUP JR.

DIRECT TESTIMONY OF KENNETH M. BEERUP JR.

1 Q. Please state your name and business address.

2 A. My name is Kenneth M. Beerup Jr., and my business address is 720 Olive St., St.
3 Louis, Missouri, 63101.

4 Q. What is your present position?

5 A. I am the Manager, General Accounting.

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

8 A. I was promoted to my present position in January, 2001. In this position, I am
9 responsible for the processing of payments to our suppliers and maintaining
10 various records.

11 Q. What is your educational background?

12 A. I graduated from Western Illinois University in 1993 with the degree of Bachelor
13 of Business, majoring in finance. In 1994, I received a Master's Degree in
14 Business Administration from Saint Louis University.

15 Q. Will you briefly describe your experience with the Company prior to becoming
16 Manager, General Accounting?

17 A. I joined Laclede in February, 1995, as a Budget Analyst in the Budget
18 Department. In November, 1996, I was promoted to Senior Budget Analyst. In
19 January, 1997, I was assigned to a project team responsible for assisting the
20 Information Systems Department in implementing a new General Ledger software

1 system. In July, 1999, I was promoted to Senior Analyst in the Financial
2 Planning Department. I acted in that capacity until being promoted to my current
3 position.

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

5 A. No, I have not.

6 PURPOSE OF TESTIMONY

7 Q. What is the purpose of your testimony?

8 A. I am sponsoring certain components of the Company's calculation of cash
9 working capital as referred to in the testimony of Company witness G. W. Buck.

10 Q. Please list the schedules you are sponsoring.

11 A. Schedule 9 of Section A, SUMMARY OF CASH WORKING CAPITAL was
12 prepared by me or under my supervision.

13 EXPENSE LAG – CASH WORKING CAPITAL

14 Q. Please discuss Schedule 9 of Section A.

15 A. Schedule 9 is a summary schedule showing the computation of cash working
16 capital required for payment of operating expenses. Various major expense
17 categories were studied in GR-96-193 to determine the length of lag time that is
18 supplied by the Company's vendors and employees. This expense lag time is
19 subtracted from the overall revenue lag time, from Company Witness G. W.
20 Buck's Schedule 8, and the resultant net lag (or net lead) time is multiplied by
21 daily expense to derive the average cash working capital required from (or
22 available to) the Company's investors for each category. These computations are

1 combined to determine the cash working capital required from the Company's
2 investors. This total, as shown at the bottom of Schedule 9, is the amount of Cash
3 Working Capital Mr. Buck is sponsoring for inclusion in rate base.

4 Q. What time period was utilized to calculate the expense lag times used in Schedule
5 9?

6 A. Since there has been no significant change in the manner in which the Company
7 processes payments, the expense lag times used in Schedule 9 are consistent with
8 those that were calculated in Case No. GR-96-193 with the following exceptions:
9 (1) the twelve-month period ended February 28, 2001 was used to calculate gas
10 cost payment time; (2) the payment lag time associated with payroll and related
11 items (401(k), payroll taxes and withholdings) was updated to reflect a projected
12 August 1, 2001 change to a bi-weekly payroll payment for the Laclede division
13 Contract employees; and (3) the twelve-month period ended February 28, 2001
14 was used to calculate short-term interest expense payment lag time.

15 Q. Does this complete your testimony?

16 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
MAY 18 2001

Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate)
Schedules.)

Case No. GR-2001-629

AFFIDAVIT

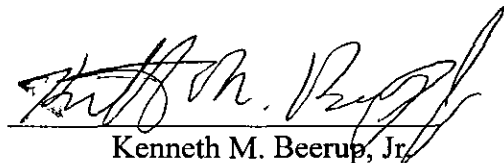
STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)

Kenneth M. Beerup, Jr., of lawful age, being first duly sworn, deposes and states:

1. My name is Kenneth M. Beerup, Jr. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Manager, General Accounting for Laclede Gas Company.

2. Attached hereto and made part hereof for all purposes is my direct testimony, consisting of pages 1 to 3, inclusive; and Section A - Schedule 9.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded and the information contained in the attached schedule is true and correct to the best of my knowledge and belief.


Kenneth M. Beerup, Jr.

Subscribed and sworn to before me this 16th day of May, 2001.



SUSAN M. KOPP
Notary Public — Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Dec. 19, 2003