

Exhibit No.:

Issue:

Witness:

Type of Exhibit:

Sponsoring Party:

Case No.:

Accounting Schedules

Susan M. Kopp

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

SUSAN M. KOPP

Direct Testimony of Susan M. Kopp

Table of Contents

<u>Issue</u>	<u>Page</u>
General Information/Qualifications	1
Purpose of Testimony	2
Rate Base Adjustments	2
Customer Deposits	3
Customer Financing Programs	3
Adjustments to Utility Operating Income	3
Customer Financing Programs	4
Postage and Other Mailing Costs	4
Customer Deposit Interest Expense	4
Health Care Costs	5
Dental and Vision Insurance Costs	5
MPSC Assessment	5
Rent Expense	6
Rate Case Expense	6
Dues, Fees and Miscellaneous Expenses	6
Facility Locates	6

DIRECT TESTIMONY OF SUSAN M. KOPP

1 Q. Please state your name and business address.

2 A. My name is Susan M. Kopp, and my business address is 720 Olive St., St. Louis,
3 Missouri 63101.

4 Q. What is your present position?

5 A. I am Assistant to the Vice President – Finance for Laclede Gas Company.

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 actively involved in the day-to-day operation of the Finance Division and other
10 special projects. I also continue to assist in the preparation of various financial
11 analyses and studies pertaining to rate matters generally.

12 Q. What is your educational background?

13 A. I graduated from the University of Missouri – St. Louis in 1991, with a Bachelor
14 of Science degree in Business Administration, majoring in accounting.

15 Q. Have you passed the Uniform CPA exam?

16 A. Yes, I passed the Uniform CPA exam in 1992.

17 Q. Will you briefly describe your experience with the Company prior to becoming
18 Assistant to the Vice President – Finance?

19 A. I joined Laclede in January, 1992, as a Staff Auditor in the Internal Audit
20 Department. I was promoted to Auditor in January, 1994 and appointed Assistant
21 to the Information Systems Auditor in July, 1994. In October, 1995, I was

1 transferred to the Financial Planning Department to serve as an Analyst before
2 being promoted to Senior Analyst in January, 1997, and Assistant to the Manager
3 in January, 1999. I acted in that capacity until being promoted to my present
4 position.

5 Q. Are you a member of any professional societies?

6 A. Yes, I am a member of the American Institute of Certified Public Accountants and
7 the Missouri Society of Certified Public Accountants.

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

9 A. Yes, in Case No. GR-99-315.

10 Purpose of Testimony

11 Q. What is the purpose of your testimony?

12 A. I am sponsoring rate base items and income statement adjustments related to
13 several expense categories.

14 Q. Please list the schedules you are sponsoring.

15 A. I am sponsoring the following schedules, which were prepared by me or under my
16 supervision: Section C, TEST YEAR UTILITY OPERATING INCOME AND
17 ADJUSTMENTS, Schedules 10 and 14, which provide supporting detail for
18 certain of my adjustments to test year operating income. These adjustments are
19 described later in my testimony.

20 Rate Base Adjustments

21 Q. What items are you sponsoring for inclusion in the Company's original cost rate
22 base (Schedule 1 of Section A)?

1

2

6

7

21

22

1 A. I am sponsoring several adjustments to the income statement. These adjustments
2 appear on Schedule 2 of Section C and are discussed below. I am also sponsoring
3 schedules that provide supporting detail to several of these adjustments.

4 Customer Financing Programs

5 Q. Please discuss your operating expense adjustment regarding the IFP and
6 EnergyWise Program.

7 A. Adjustment 1.i. increases revenues to reflect interest income from the IFP and
8 EnergyWise Program. This adjustment is consistent with the inclusion of loan
9 balances in rate base as I previously mentioned.

10 Postage and Other Mailing Costs

11 Q. Please explain your adjustment for postage and other mailing costs.

12 A. Adjustment 3.b., detailed on Schedule 10, adjusts customer accounts expense for
13 increased postage and card stock expenses directly related to the growth in
14 customer levels discussed in Company witness P. A. Krieger's testimony. It also
15 includes an adjustment to reflect the postage rate increase effective in January,
16 2001. This adjustment brings all test year mailings to these new rate levels.
17 Additionally, an adjustment is made for the estimated cost of including Laclede
18 Gas return address mailing labels in customer bills.

19 Customer Deposit Interest Expense

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

21 A. Adjustment 3.c. increases customer accounts expense to reflect interest expense
22 related to customer deposits. This adjustment is consistent with the inclusion of
23 customer deposit balances in rate base as I previously mentioned.

1 Health Care Costs

2 Q. Please discuss your adjustment to health care costs.

3 A. Adjustment 4.h., detailed on Schedule 14 of Section C, reflects increases in the
4 cost of providing health care to current employees. This adjustment reflects
5 medical costs paid for the twelve months ended February 28, 2001, increased to
6 reflect current cost levels. This adjustment should be updated as necessary for the
7 actual employee levels at July 31, 2001, new rates and plan participation as of
8 August 1, 2001, and for the most recent claims experience for the self-insured
9 plans.

10 Dental and Vision Insurance Costs

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

12 A. Adjustment 4.i., detailed on Schedule 14 of Section C, reflects an increase in the
13 cost of dental insurance to reflect current cost levels. Adjustment 4.j., on
14 Schedule 14, also reflects an increase in the cost of vision insurance to reflect
15 current cost levels. These adjustments should be updated for the actual employee
16 levels at July 31, 2001.

17 MPSC Assessment

18 Q. Please discuss your adjustment to Regulatory Commission Expense.

19 A. Adjustment 4.k., detailed on Schedule 14 of Section C, decreases Regulatory
20 Commission expense to the annual level of assessment as of July 1, 2000. The
21 2001 assessment will be known in late June and should be used in the final
22 determination of rates.

FILED³

MAY 18 2001

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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)

Susan M. Kopp, of lawful age, being first duly sworn, deposes and states:

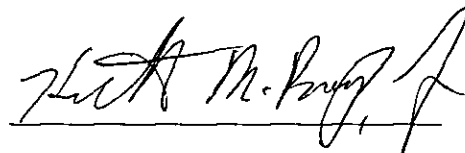
1. My name is Susan M. Kopp. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Assistant to the Vice President - Finance for Laclede Gas Company.

2. Attached hereto and made part hereof for all purposes is my direct testimony, consisting of pages 1 to 6, inclusive; and Section C - Schedules 10 and 14.

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 schedules are true and correct to the best of my knowledge and belief.


Susan M. Kopp

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



KENNETH M. BEERUP, JR.
Notary Public — Notary Seal
STATE OF MISSOURI
City of St. Louis
My Commission Expires: Dec. 19, 2003