

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

Office of the Public Counsel,)	
)	
Complainant,)	
)	
v.)	Case No. GC-2016-0297
)	
Laclede Gas Company, and)	
Missouri Gas Energy)	
)	
Respondents.)	

MOTION TO STAY PROCEEDINGS

COMES NOW the Missouri Office of the Public Counsel (“OPC”) and for its Motion to Stay Proceedings on the above-captioned Complaint against Laclede Gas Company (“Laclede”) and Missouri Gas Energy (“MGE”) (collectively both Laclede and MGE may be referred to as “Companies”) and states as follows:

1. OPC filed this Complaint on April 26, 2016 to address the issue of whether the gas rates of Laclede and MGE are just and reasonable.
2. OPC knew from the outset this complaint would be a challenge due to a number of factors, including OPC’s limited resources available to audit the company’s books and records, and the challenge of obtaining necessary data since Laclede possesses all the company data needed to prove Laclede’s rates are not just and reasonable. And while OPC anticipated Laclede would not be eager to provide answers to discovery, as the pleadings in this case have shown, OPC did not anticipate Laclede would be given four months to provide answers. However, Laclede has finally provided answers to most outstanding OPC data requests, and while the answers were not all complete, they were

sufficient to provide OPC with enough evidence to support a conclusion that staying this complaint is in the public interest.

3. OPC, in its discovery, avers evidence exists supporting the allegations made in the initial complaint yet has also discovered facts involving the Companies policies involving, but not limited to, the management and booking of pensions and other post-employment benefits (“OPEB”) that would more properly be addressed through the scope of a traditional rate case.

4. Further, Public Service Commission Staff (“Staff”) has, based on an investigatory request made by OPC in June of this year (see GM-2016-0342), issued a report alleging Laclede’s affiliate transactions are detrimental to ratepayers. In particular, the Staff’s merger report identifies as a detriment “higher capital costs due to the holding company for Laclede and MGE (“Spire”) debt burden, taken on to fund acquisitions, and costs improperly allocated to Spire’s Missouri operating company.” Furthermore, the Staff is of the opinion that improper affiliate transactions are occurring on an ongoing basis between Laclede Gas and Spire and Alagasco. The Staff asserts and the OPC agrees that the best way to address the detriments Staff has identified is in the context of a general rate case for Laclede Gas Company. In its current Complaint investigation, the OPC has not devoted any resources to the corporate costs allocated to the various subsidiaries of Spire. This is an extremely important issue that the Staff and OPC should have an opportunity to pursue in a rate case

5. The OPC had extensive discussions with Spire to settle this matter, but no resolution of the Complaint could be accomplished. Given these failed settlement negotiations, the timing of this proceeding now more closely aligns with the timing of the

proposed schedule for a rate case. It is the OPC's belief that the public would benefit greater from a rate case where the Companies have the burden of proof regarding these matters and where the Staff would have the time and resources available in order to perform an encompassing audit. This is particularly important to the customers of Laclede Gas considering the above discussions of outstanding issues.

6. All of these allegations are made noting the language of Section 393.1012.2 that reads in full:

The commission shall not approve an ISRS for any gas corporation that has not had a general rate proceeding decided or dismissed by issuance of a commission order within the past three years, unless the gas corporation has filed for or is the subject of a new general rate proceeding.

This language is the reason Laclede plans to file a rate case by April 2017; it must do so to be able to continue recovering its Infrastructure System Replacement Surcharge (ISRS). If the result of this complaint is a resetting of Laclede's general rates, it could reset the need for the Companies to come before the Commission in a general rate case until 2020. If this would occur, the issues not within the scope of the Complaint would not be heard until that time.

7. The resources of all parties involved with this matter would be judiciously served by staying this Complaint and allowing it to run concurrent with the Companies rates cases scheduled to begin after the Ameren Missouri and Kansas City Power and Light cases next year.

8. While the OPC is aware this is contrary to the position it took when the Companies filed its Motion to Stay Proceedings on July 22nd of 2016, we have now obtained evidence held by the Companies that allow us to agree with this position.

9. Further, the evidence gathered as a result of this proceeding can be used in said rate case and will minimize the need for discovery during that period.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission stay the proceedings of the above-captioned Complaint case against Laclede Gas Company and Missouri Gas Energy until the commencement of the statutorily-required rate case in April of 2017 and then to allow said complaint case to run concurrent with said rate case as well as an allowance to use all discovery already obtained through this proceeding.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 29th day of September 2016.

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