

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

The Office of the Public Counsel,)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0318, et al.
)	
Laclede Gas Company,)	
)	
Respondent.)	

**THE OFFICE OF THE PUBLIC COUNSEL’S
SUGGESTIONS IN SUPPORT OF THE STIPULATION**

COMES NOW the Office of the Public Counsel and offers the following suggestions in support of the Stipulation and Agreement:

1. On November 7, 2006, Laclede Gas Company (“Laclede”), Public Counsel, and USW Local 11-6 filed a non-unanimous Stipulation that resolves, between these parties, the issues identified in the Public Counsel’s complaint filed in Case No. GC-2006-0431 (later consolidated with Case No. GC-2006-0318). The parties attended an on-the-record presentation on November 8, 2006 to orally discuss the Stipulation and answer questions. During the presentation certain statements appear to have created confusion over what issues the Stipulation attempts to resolve. These Suggestions in Support will first summarize the reasons Public Counsel supports the terms of the Stipulation, followed by a response to statements made during the on-the-record presentation.

2. Public Counsel supports the Stipulation and asks that the Commission adopt its terms without modification for the following reasons:

- Every dollar collected in violation of 4 CSR 240-13.025(1)(B), the twelve (12) month bill adjustment rule, between November 2004 and the present will be credited back to consumers.
- The Stipulation includes assurances that all customers deserving credits will be identified as follows: 1) An independent auditor will approve the methods used to identify customers; and 2) Laclede will face a substantial penalty for each customer that qualifies for credits under the Stipulation but is not provided the appropriate credit.
- If the Stipulation is approved within the next few months, credits will flow back to consumers during the winter heating season when higher usage generally means higher bills.
- On a prospective basis, Laclede will not adjust any customer's bill for a period greater than twelve (12) months.
- Laclede provided estimates that suggest the \$500,000 is sufficient to cover all bill credits with the remainder of the \$500,000 flowing back to the same consumers equally. If the \$500,000 is insufficient for all credits, there is no cap and Laclede remains responsible for all credits.
- The Stipulation does not preclude any customers from pursuing bill credits that had bills adjusted before November 2004.
- The Stipulation does not preclude customers from filing complaints if the customer believes the credits offered under the Stipulation are insufficient.
- Lastly, there is a legal question regarding the Commission's authority to require bill credits. The Stipulation avoids the uncertainty associated with pursuing a Commission order requiring Laclede to issue credits.

For these reasons, Public Counsel asks that the Commission approve the Stipulation as an appropriate resolution of the issue identified in Public Counsel's complaint regarding violations of 4 CSR 240-13.025(1)(B) and the safety issue identified by the Staff.

3. To clarify statements made during the on-the-record presentation, the Stipulation does not present the Commission with the question of whether the Commission wishes to resolve all issues by providing monetary relief to customers now or seek future penalties that would go to the School Board Fund. While that may be a decision the Commission will consider in

regards to the specific complaint raised by Public Counsel, the terms of the Stipulation do not present an either/or question for the Commission regarding the issues raised in the Staff's complaint. Staff appears to want the Commission to determine, before Staff proceeds further, whether the Staff should continue pursuing the issues raised in the Staff's complaint. Staff's General Counsel recognized during the on-the-record presentation that such a decision can be made independent of a Commission order to approve the terms of the Stipulation.¹

4. In response to statements that the Stipulation amount is too low,² Public Counsel reiterates that the Stipulation only resolves issues raised in Public Counsel's complaint and the Staff's safety-related issue. Staff's \$5 billion penalty estimate is unrelated to the issues addressed by the Stipulation. The contention that the \$500,000 settlement amount is too low does not recognize that the Stipulation will credit *all* bill adjustments back to customers that were issued adjustments since November 2004 for a period that exceeded twelve (12) months. If that amount is less than \$500,000, Laclede will provide additional credits up to \$500,000. If that amount is greater than \$500,000, the \$500,000 acts as a floor and Laclede will still be responsible for crediting all customers. In other words, Laclede has agreed to credit *every customer* receiving a greater than twelve (12) month catch-up bill going back to November 2004, a date selected to correspond to the rise in billing complaints related to Laclede's installation of trace meter reading devices and automatic meter readers.

WHEREFORE, Public Counsel respectfully offers these suggestions in support of the Stipulation and Agreement; offers these responses to statements made during the on-the-record presentation; and requests that the Commission approve the Stipulation and Agreement.

¹ Transcript (TR) at pp. 30-31.

² TR at p. 36.

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 20th day of November 2006:

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