

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

In the Matter of Laclede Gas)
Company’s PGA Filing) Case No. GR-2015-0201

**OPC REPLY TO LACLEDE’S SUPPLEMENTAL
RESPONSE TO STAFF’S RECOMMENDATION**

COMES NOW the Office of the Public Counsel (“OPC”) and for its reply to Laclede Gas Company’s (“Laclede”) Supplemental Response to Staff’s Recommendation Regarding Two Specific Issues, states as follows:

1. On May 31, 2017, Laclede filed its Supplemental Response to Staff’s Recommendation Regarding Two Specific Issues. The first issue involves the Staff’s recommendation that Laclede modify its recordkeeping to provide additional necessary data to the Staff regarding Laclede’s Gas Supply Incentive Program (GSIP).¹ The problem identified by the Staff is that the GSIP Excel file provided by Laclede “does not identify the supplier by name,” “does not differentiate between purchases for on-system versus off-system sales,” and “the contract numbers and the name of the suppliers are in a separate 1,011 page pdf file.” To remedy this problem and assist the Staff in its review, Staff recommended Laclede provide additional data for each daily gas purchase transaction in an Excel file.

¹ The GSIP allows Laclede to recover “incentive compensation” whenever its net commodity gas price falls below an annual benchmark price of \$4.00 per MMBtu. See Laclede tariff, P.S.C. MO. No. 5 Consolidated, Second Revised Sheet Nos. 28-b.1.

2. In response, Laclede states its new web-based computer application “does not maintain all of the same functionality as the prior database” and it “cannot produce the information in the format that was previously provided in certain worksheets used in the GSIP report.” Laclede goes on to claim it “would need to contract with its outside contractor to significantly expand the report.”

3. OPC is concerned that Laclede invested in new applications that provide fewer reporting capabilities than what Laclede’s systems were able to perform previously. When Laclede spent \$60 million in its new Enterprise Information Management System (EIMS) a few years ago, one justification for the expenditure was the advanced and improved reporting capabilities the new system would be able to perform. Now that Laclede has also “upgraded” its applications for gas procurement recordkeeping, OPC anticipated greater reporting capabilities, not fewer.

4. Setting aside OPC’s concerns with Laclede reducing its reporting capabilities, OPC notes that Laclede’s reply did not state that it could not produce the new information, rather, Laclede claims the *format* of the requested information is the problem. Accordingly, OPC suggests that Laclede provide the requested information to the Staff in the format that its system is currently capable of producing the information to enable the Staff to determine whether the format is acceptable to Staff.

5. OPC also proposes that should Laclede not be able to provide the information in a format that is acceptable to the Staff, that Laclede request a bid from its outside contractor for the cost to modify the application to produce a report as requested by the Staff. Without an understanding of the magnitude of the costs, it is premature to conclude such changes are not cost-effective. The cost of such changes could then be provided to OPC and the Staff for discussions with Laclede over the necessity of making such changes.

6. OPC does not at this time take a position on the other issues raised by the Staff with the exception of the Staff's recommendation that this case remain open while the Staff investigates Laclede's compliance with the gas supply documentation requirements of the Cost Allocation Manual and the Standards of Conduct for Laclede. OPC supports this recommendation.

WHEREFORE, the Office of the Public Counsel respectfully offers this reply to Laclede's Supplemental Response to Staff's Recommendation Regarding Two Specific Issues.

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 all counsel of record this 15th day of June 2017.

/s/ Marc Poston
