

Staff's position that the Commission is powerless to approve the Revised Tariffs is fundamentally inconsistent with the statutes and case law that govern the Commission's authority to protect and promote the public interest and is directly contradicted by how the Commission has routinely exercised such authority in the past to approve similar tariff changes, often with Staff's full concurrence. Regrettably, Staff's position also violates both the letter and the spirit of the Stipulation and Agreement in the recent MGE acquisition proceeding, Case No. GM-2013-0254, which clearly contemplated that the Company would be free to pursue *[sic]* tariff changes of the kind proposed here. Finally, such a position represents an inexplicable effort by the Commission's own Staff to needlessly restrict the Commission's ability to act in a timely manner on tariff changes or other initiatives that may be necessary to bring to utility customers the benefits of technological advances, process improvements and other efficiency measures that can enhance the quality and value of the services they receive.¹

4. The Commission took up Staff's *Motion* and Laclede's *Response* and *Request* for discussion at its Agenda on August 19, 2015. At that meeting, the Commission determined that Staff should (1) reply to Laclede's legal arguments and (2) perform a technical review of the proposed tariff sheets, all by August 24, 2015. The Commission's *Order Directing Response* of August 19, 2015, embodied these directions.

5. The instant pleading constitutes Staff's reply to Laclede's legal arguments. Attached hereto is Staff's *Memorandum* setting out its technical review of the proposed tariff sheets.

Events Leading to Staff's Motion to Reject Tariffs:

6. Discussions between Staff, the Office of the Public Counsel ("OPC") and Laclede concerning the proposed tariffs that are the basis of this dispute began in June 2015. In addition to a considerable number of emails, three face-to-face meetings were held in Jefferson City. Throughout these discussions, Staff reiterated its position that the law required that the proposed changes be made in the context of a general

¹ *Response*, p. 3.

rate case. Laclede rejected Staff's position and attempted, without success, to persuade Staff otherwise. On July 21, Laclede filed the tariffs in order to bring the issue to the Commission. Staff then filed its *Motion to Reject Tariffs*, as it had warned Laclede it would do.

Why Must Tariff Changes Be Made In A General Rate Case?

7. Missouri law requires that the Commission exercise its ratemaking authority only upon due consideration of all relevant factors.² Failure to consider all relevant factors in ratemaking is referred to as "single-issue ratemaking," which is prohibited "because it might cause the [Commission] to allow [a] company to raise rates to cover increased costs in one area without realizing that there were counterbalancing savings in another area."³ A general rate case is the process by which all relevant factors are adduced and presented to the Commission to weigh and consider.

8. "A tariff is a document which lists a public utility [*sic*] services and the rates for those services."⁴ By statute, a tariff is itself a rate: "'Rate', every individual or joint rate, fare, toll, charge, reconsigning charge, switching charge, rental or other compensation of any corporation, person or public utility, or any two or more such individual or joint rates, fares, tolls, charges, reconsigning charges, switching charges, rentals or other compensations of any corporation, person or public utility

² Section 393.270.4, RSMo.; ***State ex rel. Public Counsel v. Public Service Com'n***, 397 S.W.3d 441, 448 (Mo. App., W.D. 2013); ***State ex rel. Midwest Gas Users' Ass'n v. Public Service Comm'n***, 976 S.W.2d 470, 479-480 (Mo. App., W.D. 1998); and see ***State ex rel. Utility Consumers' Council of Missouri, Inc. v. Public Service Comm'n***, 585 S.W.2d 41, 51-58 (Mo. banc 1979) ("**UCCM**").

³ ***Public Counsel***, *supra*, 397 S.W.3d at 448; ***Midwest Gas Users' Ass'n***, *supra*, 976 S.W.2d at 480.

⁴ ***State ex rel. Mo. Gas Energy v. Pub. Serv. Comm'n***, 210 S.W.3d 330, 337 (Mo. App., W.D. 2006) (quoting ***Bauer v. Southwestern Bell Tel. Co.***, 958 S.W.2d 568, 570 (Mo. App., W.D. 1997)); ***Public Service Com'n of State v. Missouri Gas Energy***, 388 S.W.3d 221, 227 (Mo. App., W.D. 2012).

or any schedule or tariff thereof[.]”⁵ Presumptively, therefore, a tariff may only be changed upon due consideration of all relevant factors, that is to say, in the context of a general rate case. This should not be a surprising result. A tariff is, after all, a matter of great public significance. It is the law of the land.⁶ Under the *Filed Tariff Doctrine*, it is binding on the utility, the public and the Commission.⁷

9. Given the legally binding nature of utility rates and the tariffs that contain them, there is necessarily a minimum degree of procedural propriety in their making that is required by the Constitution.⁸ This point was recently addressed by the Western District of the Missouri Court of Appeals:

When an electrical corporation files any schedule stating a new rate or charge, the PSC has the authority, “*upon reasonable notice*, to enter upon a hearing concerning the propriety of such rate.” § 393.150.1 (emphasis added).“ ‘Due process requires notice and a hearing; moreover, the adequacy of the notice and the hearing must be evaluated in the context of the specific procedure at issue, in this case, an administrative proceeding.’” * * * In an administrative proceeding:

⁵ Section 386.020(46), RSMo. (emphasis added).

⁶ Any validly adopted tariff “has the same force and effect as a statute, and it becomes state law.” ***State ex rel. Mo. Gas Energy v. Pub. Serv. Comm’n***, 210 S.W.3d 330, 337 (Mo. App., W.D. 2006); ***Public Service Com’n of State v. Missouri Gas Energy***, 388 S.W.3d 221, 227 (Mo. App., W.D. 2012); ***Midland Realty Co. v. Kansas City Power & Light Co.***, 300 U.S. 109, 114 (1937), *affirming* 93 S.W.2d 954 (Mo. 1936).

⁷ Also called the *Filed Rate Doctrine*. “As developed for purposes of the Federal Power Act, the ‘filed rate’ doctrine has its genesis in ***Montana-Dakota Utilities Co. v. Northwestern Public Service Co.***, 341 U.S. 246, 251-252, 71 S.Ct. 692, 695, 95 L.Ed. 912 (1951). There, this Court examined the reach of ratemakings by FERC’s predecessor, the Federal Power Commission (FPC). * * * [M]any state courts have applied the filed rate doctrine of ***Montana-Dakota*** to decisions of state utility commissions and state courts that concern matters addressed in FERC ratemakings.” ***Nantahala Power and Light Co. v. Thornburg***, 476 U.S. 953, 962, 964, 106 S.Ct. 2349, 2354-55, 2356, 90 L.Ed.2d 943, ____ (1986). Missouri courts have uniformly applied the *Filed Rate Doctrine* to decisions of the PSC, *see, e.g., State ex rel. AG Processing, Inc. v. Public Service Commission*, 311 S.W.3d 361 (Mo. App., W.D. 2010); ***Bauer v. Southwestern Bell Tel. Co.***, 958 S.W.2d 568 (Mo. App., E.D. 1997).

⁸ U.S. Const. amend. XIV; Mo. Const. art. I, § 10.

[D]ue process is provided by affording parties the opportunity to be heard in a meaningful manner. The parties must have knowledge of the claims of his or her opponent, [and] have a full opportunity to be heard, and to defend, enforce and protect his or her rights.⁹

Only a proceeding that includes an opportunity for a hearing satisfies the Due Process requirements that, as described above, necessarily attach to the making of legally binding rates and tariffs.¹⁰

10. Missouri statutes set out the formalities that apply to making and changing tariffs. Section 393.140(11), RSMo., requires that ample notice be given to the public and the Commission before any tariff may be changed, providing:

Unless the commission otherwise orders, no change shall be made in any rate or charge, or in any form of contract or agreement, or any rule or regulation relating to any rate, charge or service, or in any general privilege or facility, which shall have been filed and published by a gas corporation, electrical corporation, water corporation, or sewer corporation in compliance with an order or decision of the commission, except after thirty days' notice to the commission and publication for thirty days as required by order of the commission, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the change will go into effect.

⁹ *State ex rel. KCP&L Greater Missouri Operations Co. v. Public Service Com'n*, 408 S.W.3d 153, 167 (Mo. App., W.D. 2013), quoting *Weinbaum v. Chick*, 223 S.W.3d 911, 913 (Mo. App., S.D. 2007) (internal citations omitted).

¹⁰ *KCP&L Greater Missouri Operations Co.*, *supra*, 408 S.W.3d at 167: "Here, the PSC ordered KCP&L-GMO to provide an individual notice to each of its customers in its Missouri service areas of the public hearings scheduled on KCP&L-GMO's rate increase request. * * * [The notice specifically advised GMO's customers of the magnitude of the requested rate increase.] The notice also included the dates, times, and locations of the public hearings and invited members of the public to make their views on the request known to the PSC. After providing reasonable notice to interested persons, a full hearing on KCP&L-GMO's tariff request, and consideration of all relevant factors, the PSC entered its Report and Order. We conclude that the notice reasonably apprised ratepayers of the nature and the extent of the possibility of rate increases and the public hearings reasonably afforded ratepayers with the opportunity to be heard with regard to the proposed rate increases. Accordingly, the constitutional requirements of due process were satisfied in this case."

11. Likewise, Section 393.150.1, RSMo., authorizes (but does not require) the Commission to initiate formal proceedings upon the filing of a proposed tariff by a utility and to suspend the proposed tariff as it deems necessary:

Whenever there shall be filed with the commission by any gas corporation, electrical corporation, water corporation or sewer corporation any schedule stating a new rate or charge, or any new form of contract or agreement, or any new rule, regulation or practice relating to any rate, charge or service or to any general privilege or facility, the commission shall have, and it is hereby given, authority, either upon complaint or upon its own initiative without complaint, at once, and if it so orders without answer or other formal pleading by the interested gas corporation, electrical corporation, water corporation or sewer corporation, but upon reasonable notice, to enter upon a hearing concerning the propriety of such rate, charge, form of contract or agreement, rule, regulation or practice, and pending such hearing and the decision thereon, the commission upon filing with such schedule, and delivering to the gas corporation, electrical corporation, water corporation or sewer corporation affected thereby, a statement in writing of its reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, charge, form of contract or agreement, rule, regulation or practice, but not for a longer period than one hundred and twenty days beyond the time when such rate, charge, form of contract or agreement, rule, regulation or practice would otherwise go into effect; and after full hearing, whether completed before or after the rate, charge, form of contract or agreement, rule, regulation or practice goes into effect, the commission may make such order in reference to such rate, charge, form of contract or agreement, rule, regulation or practice as would be proper in a proceeding initiated after the rate, charge, form of contract or agreement, rule, regulation or practice had become effective.

This is the very statute that is the foundation of the *File and Suspend* method of ratemaking, whereby a utility suggests a new rate or regulation to the Commission which then determines its propriety.¹¹

¹¹ See *UCCM*, *supra*, 585 S.W.2d at 48-49; *St. ex rel. Jackson County v. Public Service Comm'n*, 532 S.W.2d 20, 28-30 (Mo. banc 1975).

Can Tariff Changes Ever Be Made Outside a General Rate Case?

12. Of course, not every tariff change requires a full rate case and Laclede is correct in asserting that such tariff changes do occur.¹² In its seminal ***Utility Consumers' Council*** decision,¹³ the Missouri Supreme Court expressly noted that the Commission is authorized to allow a proposed tariff to go into effect without holding a hearing:¹⁴

Even under the file and suspend method, by which a utility's rates may be increased without Requirement [*sic*] of a public hearing, the commission must of course consider all relevant factors including all operating expenses and the utility's rate of return, in determining that no hearing is required and that the filed rate should not be suspended. * * * However, a preference exists for the rate case method, at which those opposed to as well as those in sympathy with a proposed rate can present their views.¹⁵

As the Missouri Court of Appeals said:

The 'file and suspend' provisions of the statutory sections quoted above lead inexorably to the conclusion that the Commission does have discretionary power to allow new rates to go into effect immediately or on a date sooner than that required for a full hearing as to what will constitute a fair and reasonable permanent rate. This indeed is the intended purpose of the file and suspend procedure. Simply by non-action, the Commission can permit a requested rate to go into effect. **Since no standard is specified to control the Commission in whether or not to order a suspension, the determination as to whether or not to do so necessarily rests in its sound discretion.**¹⁶

13. The law is clear from the foregoing that the Commission may, in the exercise of its sound discretion and upon due consideration of all relevant factors,

¹² See Response, pp. 7-12.

¹³ 585 S.W.2d 41 (Mo. banc 1979) (cited herein as "***UCCM***").

¹⁴ Notice, however, that the Court stressed that the Commission "must of course consider all relevant factors[.]" ***UCCM***, *supra*, 585 S.W.2d at 49.

¹⁵ *Id.*

¹⁶ ***St. ex rel. Laclede Gas Co. v. Public Service Comm'n***, 535 S.W.2d 561, 566 (Mo. App. 1976) (emphasis added).

forego a hearing and approve some tariff changes outside of a general rate case. A hierarchy of three levels of process can be discerned from the case law; the level of process employed in any given case depends upon the Commission's "all relevant factors" determination, which is required in every case. They are, in order of descending complexity:

- a. A full-blown general rate case;
- b. A hearing; and
- c. Allowing a tariff to become effective without a hearing.

14. What guides the Commission's exercise of its discretion? A useful checklist is found at § 536.140.2, RSMo., which describes the scope of judicial review of administrative decisions:¹⁷

The inquiry may extend to a determination of whether the action of the agency

- (1) Is in violation of constitutional provisions;
- (2) Is in excess of the statutory authority or jurisdiction of the agency;
- (3) Is unsupported by competent and substantial evidence upon the whole record;
- (4) Is, for any other reason, unauthorized by law;
- (5) Is made upon unlawful procedure or without a fair trial;
- (6) Is arbitrary, capricious or unreasonable;
- (7) Involves an abuse of discretion.¹⁸

The Commission's decision must be lawful, which is to say, constitutional, authorized by law and not otherwise contrary to law.¹⁹ It must be based on competent

¹⁷ Although not of PSC decisions. *State ex rel. AG Processing, Inc. v. Public Service Comm'n*, 120 S.W.3d 732, 735 (Mo. banc 2003): "The procedure provided for judicial review in section 386.510 is exclusive and jurisdictional."

¹⁸ Judicial review of PSC decisions is under § 386.510 *et seq.*, RSMo., and not under § 536.140.2, RSMo.; nonetheless, these factors are applied in the review of Commission cases.

and substantial evidence on the whole record. “Competent evidence” is relevant and admissible evidence;²⁰ “substantial evidence” is evidence that is probative with respect to the issue to be decided.²¹ It must not be arbitrary and capricious, unreasonable, or an abuse of discretion.

An administrative agency acts unreasonably and arbitrarily if its decision is not based on substantial evidence. Whether an action is arbitrary focuses on whether an agency had a rational basis for its decision. Capriciousness concerns whether the agency's action was whimsical, impulsive, or unpredictable. To meet basic standards of due process and to avoid being arbitrary, unreasonable, or capricious, an agency's decision must be made using some kind of objective data rather than mere surmise, guesswork, or “gut feeling.” An agency must not act in a totally subjective manner without any guidelines or criteria.²²

An agency decision is also arbitrary, capricious and unreasonable, despite being based on competent and substantial evidence, where the agency “completely fails to consider an important aspect or factor of an issue before it.”²³ An agency abuses its discretion when a decision is “so clearly against the logic of the circumstances, and so

¹⁹ Lawfulness is one of the two prongs by which PSC decisions are tested on review, the other being reasonableness: “Appellate review of a PSC order is two-pronged: first, to determine whether the PSC's order is lawful; and second, to determine whether the PSC's order is reasonable. * * * The lawfulness of the PSC's order is determined ‘by whether statutory authority for its issuance exists, and all legal issues are reviewed de novo.’ * * * The PSC's order is determined to be reasonable when ‘the order is supported by substantial, competent evidence on the whole record; the decision is not arbitrary or capricious[;] or where the [PSC] has not abused its discretion.” ***In the Matter of the Verified Application and Petition of Liberty Energy (Midstates) Corp.***, ___ S.W.3d ___, ___, 2015 WL 3759566, 2 (Mo. banc 2015). These two prongs comprehend all of the factors listed at § 536.140.2, RSMo. See ***State ex rel. Mobile Home Estates, Inc. v. PSC***, 921 S.W.2d 5, 9 (Mo. App., W.D. 1996), and the extended analysis at ***State ex rel. AG Processing, Inc. v. Public Service Comm'n***, 2003 WL 1906385, pp. 4-5 (Mo. App., W.D. 2003).

²⁰ ***Byous v. Mo. Local Government Employees Retirement System Bd. of Trustees***, 157 S.W.3d 740, 744 (Mo. App., W.D. 2005).

²¹ ***State ex rel. Rice v. Public Service Comm'n***, 220 S.W.2d 61, 64 (Mo. banc 1949).

²² ***Board of Educ. of City of St. Louis v. Missouri State Bd. of Educ.***, 271 S.W.3d 1, 11 (Mo. banc 2008), quoting ***Missouri National Educ. Ass'n v. Missouri State Bd. of Educ.***, 34 S.W.3d 266, 281 (Mo. App., W.D. 2000).

²³ ***Chipperfield v. Missouri Air Conservation Com'n***, 229 S.W.3d 226, 248 (Mo. App., S.D. 2007).

unreasonable and arbitrary, that it shocks one's sense of justice and indicates a lack of careful deliberate consideration.”²⁴

15. In terms of selecting the level of process necessary for a proposed tariff, the Commission must consider the nature of the proposal: tariff changes that include price and rate changes and other revenue requirement impacts require a general rate case in which all of the requisite financial information is brought forward for consideration; changes that do not include revenue requirement impacts but otherwise impact ratepayers require a hearing; leaving only non-substantive changes for the *File and Suspend* method in which no hearing is held at all.

16. The operative question is *what tariff changes may lawfully be made without a hearing?*²⁵ The general answer is that non-substantive tariff changes may be made without a hearing. Examples are:

- Tariff changes correcting scriveners' errors, incorrect references and the like may be made without a hearing.
- Tariff changes relating entirely to the internal processes of the utility may be made without a hearing, such as switching from manually-read meters to automatic meters.
- Forms contained in tariffs may be modified or changed without a hearing.
- Safety issues may be addressed without a hearing.
- Name changes may be effected without a hearing.

Some substantive tariff changes may be made without a hearing:

²⁴ *Nolan v. Degussa Admixtures, Inc.*, 276 S.W.3d 332, 335 (Mo. App., S.D. 2009).

²⁵ Note that, under § 393.150.1, RSMo., the Commission can always *choose* to hold formal proceedings on a proposed tariff, whether or not it is required to do so.

- Tariffs offering new products or services may be approved without a hearing.²⁶
- Tariff changes required in order to comply with changes in the Commission’s rules or to comply with a *Report and Order* in a rate case may be made without a hearing because the necessary due process procedures and marshalling of relevant factors have already occurred in the rulemaking proceeding or the rate case.²⁷
- Tariff changes that apply to the inputs to approved Rate Adjustment Mechanisms (“RAMs”), such as Purchased Gas Adjustments (“PGAs”) and Fuel Adjustment Clauses (“FACs”), may be made without a hearing.
- The final, and most difficult, category is tariff changes that affect the terms and conditions of service. Sometimes these changes require rate case treatment, for example, changing the bad check charge; sometimes they require a hearing; and sometimes they do not require either. Changes in this category require a judgment call: Does the proposed change have a revenue requirement impact? Does the proposed change affect ratepayers to the degree that fairness requires that they be given an opportunity to be heard?

What About the Specific Tariff Changes Proposed By Laclede?

17. Laclede described its proposed tariff changes as follows in a document provided to the Staff in June, 2015:

- Bill Estimation – Revise both MGE and Laclede Gas’ estimating process for when a customer’s actual read/usage cannot be obtained.

²⁶ Such as the CNG Tariff approved in October 1995, referenced in Laclede’s Ex. 1.

²⁷ These are referred to as “compliance tariffs.” See *State ex rel. Missouri Gas Energy v. Public Service Comm’n*, 210 S.W.3d 330 (Mo. App., W.D. 2007) and several of the examples cited in Laclede’s Ex. 1 to its *Response*.

--Currently, MGE and Laclede Gas look at the usage of comparable customers to estimate the usage of customer for which no usage data is available.

--Under the new method, the estimate would be based on historical usage at the customer's own location for a comparable period as adjusted for degree days, with comparable customer data used only where such customer specific data is not available.

- Budget Billing – Replace MGE's ABC program with Laclede's Budget Billing program.
- Main Extension Policy – Replace MGE's distribution main extension policy with the policy currently followed by Laclede Gas.

18. Each of the tariff changes proposed by Laclede will directly affect some segment of its ratepayers and the amount they are billed for gas service. For that reason, Staff asserts that these are the type of "terms and conditions of service" tariff changes that may only be made in a general rate case. First, because Laclede's proposed *File and Suspend* method treatment of these tariffs will not provide ratepayers and other stakeholders any opportunity to be heard on the proposed changes. Although Laclede has now filed its tariffs on thirty-days' notice to the Commission and the public, Laclede has announced *no plans whatsoever* for publicizing the proposed changes and their impact to its affected customers. Second, because Laclede's proposed *File and Suspend* method treatment of these tariffs will not provide the Commission with all relevant factors for consideration, particularly the economic and financial factors that are only marshalled and presented in a general rate case. Each of Laclede's proposed changes may have a revenue requirement impact or a customer bill impact, but that

impact is downplayed by Laclede²⁸ and has not been quantified or explained to the Commission in any of the Company's filings.

19. Tariff File JG-2016-0018 consists of three (3) tariff sheets applicable to the Laclede Gas Company operating unit containing terms and conditions of service relating to estimation of customer usage by Laclede (R-6, R-6-a, R-40). The primary change is the substitution of actual usage at the customer's location in a prior comparable period, adjusted to reflect weather differences, for comparable customer usage; although the old method is still specified as an alternative. Unchanged is a problematic provision requiring Laclede to perform an actual meter reading only once a year.

20. Tariff File JG-2016-0019 consists of nine (9) tariff sheets applicable to the Missouri Gas Energy operating unit containing terms and conditions of service relating to budget billing (R-47) and estimated billing (R-48, R-48A, R-48B, R-49, R-49.1, R-50, R-51, R-52). The proposed sheets replace MGE's "ABC" program with Laclede's generally equivalent Budget Billing program. One significant difference between the two programs is that the ABC program provides for refunds to ratepayers of overpayments. The proposed estimated billing provisions are generally similar to the estimated billing provisions contained in Tariff File No. JG-2016-0018, already described above.

21. Tariff File JG-2016-0020 consists of twelve (12) tariff sheets applicable to the Missouri Gas Energy operating unit containing terms and conditions of service relating to service lines and yard lines, company property, excess flow valves, and company and customer equipment (R-32, R-33), a special Joplin tornado reconnection-

²⁸ The transmission letter accompanying each of the three batches (JG-2016-0018, JG-2016-0019 and JG-2016-0020) of Laclede's proposed tariff changes each includes this disingenuous statement: "Notably, none of these tariff revisions will increase the rates or charges paid by any customer. In fact, all customer charges, usage charges and miscellaneous charges approved for MGE and Laclede would continue in effect as they are today."

without-fee provision (R-33.1), main extensions (R-58, R-58a, R-59, R-60), and mobile home service (R-61). The chart below demonstrates the extensive nature of the proposed tariff changes in Tariff File JG-2016-0020:

EXISTING TARIFF		PROPOSED TARIFF	
No.	Item	No.	Item
R-32	3.14 Service Line and Yard Line installation and Maintenance.	R-32	3.14 Maintenance of Customer-owned Service Lines and Yard Lines. 3.15 Property of the Company. 3.16 Excess Flow Valves.
R-33	3.14, cont. 3.15 Replacement of Customer-owned Service Lines and Yard Lines.	R-33	3.16, cont. 3.17 Company and Customer Equipment.
R-33.1	3.15, cont.	R-33.1	3.18 [Special Joplin Tornado reconnection provision].
R-33.2	3.15, cont. 3.16 Maintenance of Customer-owned Service Lines and Yard Lines. 3.17 Property of the Company.	R-33.2	BLANK
R-33.3	3.18 Excess Flow Valves.	R-33.3	BLANK
R-34	3.19 Company and Customer Equipment.	R-34	BLANK
R-34.1	3.20 [Special Joplin Tornado reconnection provision].	R-34.1	BLANK
R-58	MAIN EXTENSION POLICY CONVENTIONAL. 9.01 General. 9.02 Extensions not requiring Customer Deposits.	R-58	EXTENSION OF DISTRIBUTION FACILITIES. 9.01 General.
R-58a	9.03 Extensions requiring Customer Deposits.	R-58a	9.02 Sizing of the Customer Extension. 9.03 Estimated Cost of the Customer Extension. 9.04 Free Extensions.
R-59	9.03, cont. 9.04 Extensions to Interruptible Service and Large Firm Service Customers.	R-59	9.04, cont. 9.05 Main and Service Pipe Extensions Beyond the Free Allowance.
R-60	9.05 Ownership. 9.06 Customer Contracts. 9.07 Determination of Extension Length. 9.08 Right-of-Way and Franchise Limitations.	R-60	9.06 Refund on Contributions for Main Extensions. 9.07 Refund Not to Exceed Original Contribution. 9.08 Title to the Customer Extension. 9.09 Extensions in Unimproved Streets and Alleys.
R-61	9.09 Extensions in Unimproved Streets and Alleys. MOBILE HOME SERVICE. 10.01 Availability.	R-61	MOBILE HOME SERVICE. 10.01 Availability.

WHEREFORE, on account of all the foregoing, Staff prays that the Commission will reject Laclede's proposed tariff changes in Tariff File Nos. JG-2016-0018, JG-2016-0019 and JG-20160020 because they encompass changes of the sort that must necessarily be made in a general rate case in which all relevant factors are adduced for consideration; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been served electronically or by hand-delivery or by First Class United States Mail, postage prepaid, upon all of the parties herein as indicated by the Service List maintained by the Commission's Data Center, on this 24th day of August, 2015.

/s/ Kevin A. Thompson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File, GT-2016-0026
File No. JG-2016-0018, JG-2016-0019 and JG-2016-0020, Laclede Gas Company,
Laclede and MGE Operating Divisions

FROM: Thomas M Imhoff, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 8/24/2015 /s/ Kevin Thompson 8/24/2015
Energy Department/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation On Laclede Gas Company’s Tariff Sheets Filed to Reflect
Changes to Laclede’s MGE Operating Unit for Budget Billing and Main Extension
Tariffs to Reflect Language Currently in Laclede Gas Company’s Laclede Operating
Unit. Laclede Gas Company Proposes to Change its Estimating Procedures for its
Laclede and MGE Operating Units.

DATE: August 24, 2015

On July 21, 2015, Laclede Gas Company (“Laclede” or “Company”) of St. Louis, Missouri filed tariff sheets to incorporate changes to its Missouri Gas Energy (“MGE”) Operating Unit tariff for greater consistency between this unit and its Laclede Operating Unit. This proposal adopts for MGE, the same budget billing and main extension tariff language currently in effect for Laclede’s Laclede Operating Unit. The filing also proposes to change the Laclede and MGE Operating Units procedure when estimating a customer’s bill.

On August 5, 2015, The Missouri Public Service Commission’s Staff (“Staff”), filed a MOTION TO REJECT TARIFF SHEETS. On August 12, 2015, Laclede responded in opposition to the Motion to Reject from Staff.

On August 19, 2015, the Commission issued an ORDER DIRECTING RESPONSE. The Commission ordered the Staff to perform a technical review of the tariffs and reply to the legal arguments raised by Laclede in its response to Staff’s motion to reject. The Staff has performed its technical review of Laclede’s proposed tariff sheets.

The Commission’s Energy Department – Tariffs/Rate Design Staff has performed its technical review of these proposed tariff sheets and has found it does not conflict with any Commission rule and regulation other than Staff’s legal argument that the proposed tariff sheets should be changed in the context of a rate case. The changes Laclede proposes, will affect a customer’s bill and what they will pay. Staff has confirmed that the Company is not delinquent on any assessment and has filed its annual report. Staff is unaware of any issue currently pending before the Commission that affects or is affected by this filing.

The following tariff sheets, as filed on July 21, 2015, with a proposed effective date of September 8, 2015 have been reviewed from a technical point of view and do not violate any Commission rules or regulations:

P.S.C. MO. No.5 Consolidated

Sixth Revised Sheet No. R-6, Cancelling Fifth Revised Sheet No. R-6
Second Revised Sheet No. R-6-a, Cancelling First Revised Sheet No. R-6-a
Second Revised Sheet No. R-40, Cancelling First Revised Sheet No. R-40

P.S.C. MO. No.6 Consolidated

Original Sheet No. R-32, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-32
Original Sheet No. R-33, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-33
Original Sheet No. R-33.1, Canceling P.S.C. MO No. 6 Original Sheet No. R-33.1
Original Sheet No. R-33.2, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-33.2
Original Sheet No. R-33.3, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-33.3
Original Sheet No. R-34, Canceling P.S.C. MO No. 6 Sixth Revised Sheet No. R-34
Original Sheet No. R-34.1, Canceling P.S.C. MO No. 6 Third Revised Sheet No. R-34.1
Original Sheet No. R-48, Canceling P.S.C. MO No. 6 Third Revised Sheet No. R-48
Original Sheet No. R-48A, Canceling P.S.C. MO No. 6 Third Revised Sheet No. R-48A
Original Sheet No. R-48B, Canceling P.S.C. MO No. 6 Second Revised Sheet No. R-48B
Original Sheet No. R-49, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-49
Original Sheet No. R-49.1, Canceling P.S.C. MO No. 6 Original Sheet No. R-49.1
Original Sheet No. R-50, Canceling P.S.C. MO No. 6 Original Sheet No. R-50
Original Sheet No. R-51, Canceling P.S.C. MO No. 6 Second Revised Sheet No. R-51
Original Sheet No. R-52, Canceling P.S.C. MO No. 6 Third Revised Sheet No. R-52
Original Sheet No. R-58, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-58
Original Sheet No. R-58a, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-58a
Original Sheet No. R-59, Canceling P.S.C. MO No. 6 First Revised Sheet No. R-59
Original Sheet No. R-60, Canceling P.S.C. MO No. 6 Original Sheet No. R-60
Original Sheet No. R-61, Canceling P.S.C. MO No. 6 Original Sheet No. R-61

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

In the Matter of the Revised Tariff Sheets)
for the Laclede Gas and Missouri Gas)
Energy Operating Units of Laclede Gas)
Company)

Case No. GT-2016-0026

AFFIDAVIT OF THOMAS M. IMHOFF

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Thomas M. Imhoff and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


Thomas M. Imhoff

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 24th day of August, 2015.


NOTARY PUBLIC

