

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

In the Matter of the Revised Tariff Sheets for)	<u>Case No. GT-2016-0026</u>
the Laclede Gas and Missouri Gas Energy)	Tariff Nos. JG-2016-0018,
Operating Units of Laclede Gas Company.)	JG-2016-0019 and JG-2016-0020

STAFF’S REPLY TO LACLEDE’S FURTHER RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Reply to Laclede’s Response to Staff’s Reply Regarding Staff’s Motion to Reject Tariff Sheets*, states as follows:

1. On July 21, 2015, Laclede Gas Company (“Company”) filed three sets of revised tariff sheets for the Laclede Gas (“Laclede Gas”) and Missouri Gas Energy (“MGE”) operating units of the Company, all of which have a proposed effective date of September 8, 2015. Those sets of tariff sheets were assigned Tariff Tracking Nos. JG-2016-0018, JG-2016-0019 and JG-2016-0020.

2. On August 5, 2015, Staff moved to reject the tariffs on the ground that the proposed tariff changes could only lawfully be made in the context of a general rate case.

3. Laclede responded on August 12, 2015, with two pleadings: the first, *Response in Opposition to Staff’s Motion to Reject Tariff Sheets*, the second, *Request for Order Denying Staff’s Motion to Reject and Approving Tariff Sheets or, in the Alternative, Request for Oral Argument and Motion for Expedited Treatment*.

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. Staff filed its *Reply* and its *Memorandum* setting out its technical review of the proposed tariff sheets on Monday, August 24, 2015.

6. On August 25, 2015, Laclede filed its *Response to Staff's Reply Regarding Staff's Motion to Reject Tariff Sheets* (Laclede's "*Further Response*"), to which Staff now replies.

7. Laclede complains that Staff did not address its arguments; Staff will address them now.

8. With respect to Laclede's reliance on the holding in ***State ex rel. Missouri Gas Energy v. Public Service Commission***,¹ Staff points out that that was a rulemaking case and the tariffs at issue were compliance tariffs. No particular process is required for compliance tariffs because the necessary process has already occurred elsewhere. This was explained in Staff's *Reply* filed on August 24, 2015.

9. With respect to Laclede's assertion that many tariff changes have been made over the years without either a rate case or a hearing, Staff agrees and points out that those were non-substantive tariff changes. This was explained in Staff's *Reply* filed on August 24, 2015.

10. With respect to Laclede's claim that Staff has somehow violated the *Stipulation and Agreement* it entered into in case GM-2013-0254 by advising Laclede that, in its opinion, the law requires more process for certain proposed tariff changes

¹ 210 S.W.3d 330 (Mo. App., W.D. 2007).

than Laclede evidently believes, Staff wonders if Laclede's position is meant to be taken seriously. Does Laclede actually contend that the *Stipulation and Agreement* in question trumps the law? Does Laclede really believe that the Staff – and the Commission that approved the *Stipulation and Agreement* – had thereby agreed to waive the “all relevant factors” analysis explicitly required by the Missouri Supreme Court in ***State ex rel. Utility Consumers' Council of Missouri, Inc. v. Public Service Commission***?² Is it Laclede's position that due process no longer applies by virtue of the *Stipulation and Agreement*? Staff suggests that its agreement in Case No. GM-2013-0254 that Laclede would consolidate its tariffs with those of MGE was meant to be understood in the context of existing Missouri law. Yes, Laclede may pursue its program of tariff consolidation, but Laclede must comply with the law in doing so.

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-2016-0020 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.

² 585 S.W.2d 41, 51-58 (Mo. banc 1979) (“**UCCM**”).

Respectfully submitted,

/s/ Kevin A. Thompson

Kevin A. Thompson
Chief Staff Counsel
Mo. Bar No. 36288

Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-6514 Tel.
573-526-6969 FAX
kevin.thompson@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission

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, on all counsel of record this 25th day of August, 2015.

/s/ Kevin A. Thompson