

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

In the Matter of Laclede Gas Company's) **File No. GT-2017-0123**
Tariff to Revise Natural Gas Rate Schedules) Tariff No. YG-2017-0060

STAFF'S RESPONSE TO LACLEDE'S RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission (Staff) in support of its Recommendation/Motion to Reject Tariff Sheet, and in response to Laclede Gas Company's (Laclede) *Response to Staff's Motion to Reject Tariff Sheet (Response)*, and respectfully states as follows:

1. On October 25, 2016, Laclede filed a tariff sheet, with a proposed effective date of November 24, 2016, and a motion for expedited treatment which seeks to make the tariff sheet effective November 4, 2016.

2. On October 28, 2016, Staff recommended that the Commission reject Laclede's proposed tariff. Staff stated that Laclede's proposal significantly deviates from previous programs – which were initially approved *by the Commission in a general rate case*¹ -- by slashing benefits to customers and using a disproportionate amount of its low-income assistance funds designated for other low-income programs. Also Staff noted that Laclede failed to provide evidence substantiating a need for such deviations from previous programs, or evidence evaluating the impact that such an allocation would have on the provision of its tariffed low-income programs.

¹ In this proceeding, Laclede seeks to significantly modify the terms of a low-income program, which was initially approved by the Commission in a general rate case, *outside* the rate case procedure, which contains more safeguards than a proceeding such as this.

3. On October 31, 2016, Laclede asserts that its proposed \$400,000 budget will not impact its other low income programs, that its 20% benefit reduction is justified, claims that there is “no indication that [previously approved program budget and disbursement] terms would be more appropriate in these unique circumstances as the terms proposed by the Company...” *Response*, pgs. 1-3.

4. Staff notes that Laclede did not submit documentation substantiating any claims made its initial motion or in its response.

5. Staff, or any party, cannot review Laclede’s claim that an additional \$400,000 obligation will not affect the provision of its other low-income programs. Staff knows that approval would constrict 66% of Laclede’s total Low-Income Assistance Program annual budget. Staff knows that Laclede’s proposal represents a \$250,000 increase over what the *Commission approved* in GR-2010-0171. Staff states that had Laclede’s proposed tariff included the budget and disbursement limits equal to those previously approved by the Commission, that Staff would have been supportive, because Staff’s previous recommendations considered the impact of \$150,000 budget for this program in concert with Laclede’s Low-Income Red Tag Repair Program, the Bill Payment Assistance Program and the Arrearage Repayment Program.

6. Contrary to Laclede’s assertion in *Footnote 2*, Laclede did not provide evidence to Staff to substantiate its claim that its proposed reduced credit limits are greater than its average arrearage amount. *Response*, pg. 2. In Staff’s review of Case No. GR-2010-0171, wherein the Commission approved the initial low-income assistance program, there is no indication that the original credit limits were determined by

considering an average arrearage amount. And again, given an opportunity to respond with figures to substantiate its claims, Laclede fails to do so.

7. The urgency of this matter has been manufactured by Laclede. Both Laclede and MGE were aware of the impending changes several months ago and even sent notices to customers in August regarding the change in the start date for ECIP/LIHEAP assistance payments. Laclede's failure to act should not compel the Commission, Staff or other parties to cast aside Commission standards and should not compel the Commission to authorize a program that restricts funding available to existing low-income assistance programs.

8. Laclede expresses its surprise at Staff's insistence that a regulated utility should substantiate its claims with evidence and provide an opportunity for all parties, particularly those statutorily directed to serve the public, to review and scrutinize such claims; however, it is a consistent practice that Staff has applied in all manner of applications and cases before the Commission.

WHEREFORE, Staff respectfully requests that the Commission issue an order denying the motion for expedited treatment and rejecting the proposed tariff assigned Tariff Tracking No. YG-2017-0060.

Respectfully submitted,

/s/ Hampton Williams

Wm. Hampton Williams
Assistant Staff Counsel
Missouri Bar No. 65633
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8517 (Telephone)
Hampton.Williams@psc.mo.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, to all parties of record on the Service List maintained for this case by the Data Center of the Missouri Public Service Commission, on this 2nd day of November, 2016.

/s/ Hampton Williams