

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

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

**SUPPLEMENTAL RESPONSE TO STAFF'S RECOMMENDATION
REGARDING TWO SPECIFIC ISSUES**

COMES NOW Laclede Gas Company ("Laclede" or "Company"), and submits this supplemental response to the Staff's February 16, 2017 Reply in this docket. In support thereof, Laclede states as follow:

1. By order dated February 16, 2017, the Commission directed Laclede to further respond to two issues raised by Staff in its December 16, 2016 recommendation in this case. The Commission did not specifically disclose the issues, as one of them is considered Highly Confidential. Laclede's response was due on May 15, but due to the press of other business, including its preparation and filing of two simultaneous rate cases in April and the need to respond to associated discovery, Laclede has missed this deadline. Laclede regrets its tardiness and failure to seek an extension of the deadline, and requests that the Commission accept this late filing.

2. The two issues pertain to (i) modifying its Gas Supply Incentive Program (GSIP) reporting to include the names of contracting parties by name rather than just by Contract ID; and (ii) **_____**.

3. GSIP Reporting. With respect to its GSIP, Laclede provides quarterly reports to Staff indicating the status of that year's GSIP incentive. Staff seeks to expand this quarterly summary as follows:

Staff recommends Laclede modify its gsip excel files provided to Staff to include all the existing data it currently provides plus the following data for each daily transaction (for each line/row in the Excel file) beginning with data provided for the 2015/2016 ACA:

1. Either add column for Counterparty (supplier), or provide a tab in the workbook containing Contract No. and corresponding Counterparty.
2. Add a column with contract award date.
3. Add a column with nominated volume.
4. Add a column with cut volume.
5. Add a column listing the volume sold in OSS.

Staff seeks to have this obligation applied retroactively, stating:

Staff recommends Laclede update the gsip excel file to contain this data and provide the 2015/2016 data as requested by Staff in data requests for that case. On a moving forward basis, Staff recommends Laclede provide the requested data in each quarter gsip excel file provided to Staff.

4. In response Laclede states that its Gas Supply Administration and Hedge Position Tracking applications were originally housed in Access '97 databases. After nearly 20 years, these databases could no longer be supported, and Laclede replaced them with a web-based application that was developed by an outside contractor in mid-2016. The web-based application does not maintain all of the same functionality as the prior database. As a result, the Company cannot produce the information in the format that was previously provided in certain worksheets used in the GSIP report. The Company would need to contract with its outside contractor to significantly expand the report to replicate these reporting capabilities.

5. While it might make sense to invest in additional programming to obtain information that could prove valuable, Laclede does not believe such an expenditure is necessary at this time.

6. Because of the structure of this GSIP, since 2003, Laclede has only qualified for an incentive payment twice, and even those were relatively modest awards. As a result, it is difficult to determine whether the program is effective in motivating superior performance. Regardless, there is no reason to expend labor and resources upgrading a report for a program that has no payout. If the Company concedes in its summary reports that it has not earned an incentive, there

is no point to incurring further costs or requiring additional information in order to expand an audit in a way that will increase its cost, but have no effect on customers. As stated in Executive Order 17-03, issued on January 10, 2017, Missourians deserve efficient, effective and necessary regulations that do not impose costs that outweigh their benefits.

7. Consistent with the foregoing, Laclede understands that, should it qualify for a GSIP incentive payment in the future, such amount would be subject to audit, and the Company would take the necessary steps to provide additional information that would permit Staff to perform such an audit.

8. ** _____

9. _____

_____.

10.

_____.

11.

_____.

**

WHEREFORE, Laclede respectfully requests that the Commission accept this pleading in response to the Commission February 16, 2017 order.

Respectfully submitted,

/s/ Rick Zucker

Rick E. Zucker #49211
Associate General Counsel
700 Market Street, 6th Floor
St. Louis, MO 63101
(314) 342-0533 (telephone)
E-mail:rick.zucker@theLacledegroupp.com

ATTORNEY FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the Staff and the Office of the Public Counsel, on this 31st day of May, 2017 by hand-delivery, fax, electronic mail or by regular mail, postage prepaid.

/s/ Marcia Spangler