

**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 RECOMMENDATION/MOTION TO REJECT TARIFF SHEET**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its Recommendation/Motion to Reject Tariff Sheet ("Motion") respectfully states as follows:

1. Staff recommends and requests that the Commission deny Laclede Gas Company's ("Laclede") motion for expedited treatment and reject the tariff sheet because Laclede significantly deviates from the funding terms previously approved by the Commission in a manner that may substantively impact the provision of its other low-income programs. Further, Laclede's proposal slashes benefits to elderly, disabled, and low-income customers by 20% compared previous disbursement levels. Laclede has provided no documentation to substantiate or justify these deviations from prior Commission authorization and renewals. Finally, by failing to address this concern at an earlier date, Laclede prevents Staff and the Commission from conducting an investigation to accumulate evidence to consider the proposals impact on Laclede's existing low-income programs.

2. 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. The tariff sheet was assigned Tariff Tracking No. YG-2017-0060, attached hereto as Appendix A.

3. Laclede currently offers three low-income assistance programs; the Low-Income Red Tag Repair Program, the Bill Payment Assistance Program and the

Arrearage Repayment Program. The existing low-income assistance programs are funded from an annual low-income program budget of \$600,000.

4. The Low-Income Energy Affordability Program (Program) Laclede seeks to renew was created pursuant to a joint filing from Laclede, Staff and the Office of Public Counsel in Case No. GR-2010-0171, EFIS 179. The Program would run from November 26, 2010 to March 1, 2011. The Program budget was not to exceed \$150,000, which would be reallocated from its \$600,000 annual low-income assistance programs budget. The Program provided \$1,000 credit per registered elderly or disabled customer, and \$500 credit per individual customer. On November 23, 2010, the Commission approved this Program and its terms. GR-2010-0171, EFIS 181.

5. On December 1, 2011, under the initial Case No. GR-2010-0171, Laclede filed to renew its Program terms to update the program period to run from January 1, 2012, to March 1, 2012. The Program budget and customer disbursement amounts sought for renewal were under the same terms approved by the Commission in the 2010 rate case. Staff recommended renewal of the program, as the Program's budget and disbursement amounts mirrored what the Commission previously approved. GR-2010-0171, EFIS 188. On December 7, 2011, the Commission approved the Program and its terms. GR-2010-0171, EFIS 189.

6. On November 8, 2013, Laclede filed to renew its Program terms to update the program period to run from December 9, 2013 to March 31, 2014. The Program budget and customer disbursement amounts sought for renewal were under the same terms approved by the Commission in the 2010 rate case and its 2011 renewal.

7. Laclede did not seek renewal of the Program for the Fall 2014/Spring 2015 term or the Fall 2015/Spring 2016 term.

8. Laclede's proposed tariff identifies a program budget of \$400,000. Since the 2010 rate case initiating the program and its two subsequent renewals, the program budget has been \$150,000. Laclede has not submitted documentation to explain or substantiate the need for a 166% increase in the program budget. Furthermore, Laclede's low-income assistance programs are funded from the same \$600,000 annual budget, and approval of this proposed tariff slashes \$400,000 of funds available for provision of Laclede's Red Tag Repair Program, the Bill Payment Assistance Program and the Arrearage Repayment Program. Laclede has not submitted documentation to address the impact that approval will have on its provision of Laclede's existing low-income assistance programs. Had Laclede proposed a program budget of \$150,000, Staff would have no objection regarding the amount of the program budget, as Staff's previous recommendations took into consideration the funding of this program and Laclede's existing low-income assistance programs.

9. Laclede's proposed tariff identifies benefit disbursement limits as \$800 for registered elderly or disabled customers and \$400 for low-income eligible customers. Since the 2010 rate case initiating the program and its two subsequent renewals, the program disbursement limits have been \$1,000 for registered elderly or disabled customers and \$500 for low-income eligible customers. Laclede has not submitted documentation to explain or substantiate the need to slash program benefits by 20% from previously authorized disbursement limits. Even as Laclede's proposed program budget seeks an increase of \$250,000 over any previously authorized

program, its request to slash benefits to elderly, disabled, and low-income customers below previously authorized levels raises concern among Staff. Had Laclede proposed a program disbursement limit of \$1,000 for registered elderly or disabled customers and \$500 for low-income eligible customers, Staff would have no objection regarding the disbursement amount, as Staff's previous recommendations included such disbursement levels.

10. Staff brought its concerns to Laclede's attention in discussions prior to its filing. Staff suggested that Laclede revise its submission in accordance with the budget and disbursement limits previously approved by the Commission.

11. Laclede also seeks expedited treatment of its proposed tariff pursuant to Commission Rule 4 CSR 240-2.080(14), although Laclede cites subsection (16) rather than subsection (14) in its motion for expedited treatment. Subsection (C) requires a statement that the pleading was filed as soon as it could have been or an explanation why it was not. Laclede opted for the former; however, the latter explanation may be more salient regarding the timing of this filing and Laclede's knowledge of the one-month delay in ECIP/LIHEAP payments. 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. Even the Commission informed customers of this concern in its article "Programs to Help Missourians Stay Warm During the Winter", from the Fall 2016 edition PSC Connection. Instead of working with Staff and other parties to address this issue months ago - Laclede did nothing. Now it seeks redress of its filing without any supporting documentation. Moreover, as Staff has identified, the request may

substantively effect the provision of Laclede's existing low-income programs. Given the concerns Staff has identified, the Commission should reject MGE's tariff and deny the *Motion for Expedited Treatment*.

**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**  
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**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 28<sup>th</sup> day of October, 2016.

**/s/ Hampton Williams**

**P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No. R-56  
 CANCELLING P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No. R-56**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. R-1

Community, Town or City

**RULES AND REGULATIONS**

36. Low-Income Energy Affordability Program (continued)

11. Neither the Bill Payment Assistance Program nor the ARP will affect any of the provisions of the Cold Weather Rule, including the initial payment requirements thereunder; provided, however, that the monthly amounts due after deducting Bill Payment Assistances may be substituted in lieu of the monthly budget plan payments due under the Cold Weather Rule and in section 10(B) of the Company's tariff under the Cold Weather Maintenance of Service. No credit refunds shall be issued by the Company to a participant enrolled in the ARP or the Bill Payment Assistance Program for the life of the Program period.
12. Program tracking information will be collected by Laclede and the CAAs provided in Attachment 3 to the Stipulation and Agreement in GR-2007-0208; provided, however, that customers who opt out of levelized billing will be separated for information tracking purposes.
13. Any disagreement as to the interpretation or implementation of any of the foregoing items may be taken to the Commission for a decision.
14. On an experimental basis and for the period ending March 31, 2017, a portion of the program funds for the 2016/2017 program year, not to exceed \$400,000, may be reallocated (thereby reducing on a dollar for dollar basis the amount available under the program for that year) to provide a one-time bill credit of 30% of existing arrearages to those qualifying customers who are required to pay 80% of their existing arrearages in order to restore or maintain service under the provisions of the Commission's Cold Weather Rule. Until such time as the \$400,000 amount is exhausted, such credit shall be made to eligible customers on whose behalf a pledge is made by a participating CAA that, together with any payment by the customer, equals 50% of the customer's existing arrearages, provided that the customer has a household income equal to or less than 150% of the FPL. No customer shall receive a credit pursuant to this provision greater than \$400 or, in the case of a registered elderly or registered disabled customer, greater than \$800. The provision of such a credit shall not preclude a participating customer from also being a participant in the Bill Payment Assistance Program or affect the customer's rights and obligations under the Cold Weather Rule. Any amounts not reallocated as bill credits under this paragraph shall remain available under the Low-Income Energy Affordability Program. All customers participating in this one-time bill credit Program will be required to register with a CAA, apply for any energy assistance funds for which they might be eligible, and review and agree to implement cost-free, self-help energy conservation measures identified by the CAA. In addition, the CAAs will provide customers with basic budgeting information, as well as information about other potential sources of income such as the Earned Income Tax Credit. The CAA may use household registration from other assistance programs to determine eligibility for the Program.

DATE OF ISSUE October 25, 2016  
 Month Day Year

DATE EFFECTIVE November 24, 2016  
 Month Day Year

ISSUED BY L. Craig Dowdy, Sr. VP, Ext. Affairs, Market. & Comm., 700 Market St., St. Louis, MO 63101  
 Name of Officer Title Address