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September 30, 2002

Mr. Dale Hardy Roberts  
Executive Secretary  
Missouri Public Service Commission  
200 Madison Street, PO Box 360  
Jefferson City, MO 65102-0360

**FILED<sup>3</sup>**  
**SEP 30 2002**  
**Missouri Public  
Service Commission**

RE: In the Matter of the Tariff Filing of Laclede Gas  
Company - Case No. GT-2003-0032  
Tariff No. JG-2003-0048

Dear Mr. Roberts:

Enclosed please find for filing the original plus eight (8) copies of the Statement of Position to be filed on behalf of Missouri School Boards' Association in the above-captioned matter.

If you should have any questions concerning the enclosed filing, please do not hesitate to contact me. Thank you.

Very truly yours,

HENDREN AND ANDRAE, L.L.C.



Richard S. Brownlee, III

RSB\s  
Enclosures  
All Counsel of Record  
Melissa Randol  
Louie R. Ervin

FILED<sup>3</sup>

SEP 3 0 2002

Missouri Public  
Service Commission

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

In the Matter of the Tariff Filing  
of Laclede Gas Company

)  
)

Case No. GT-2003-0032

**MISSOURI SCHOOL BOARDS' ASSOCIATION'S  
POSITION STATEMENT**

**COMES NOW**, Missouri School Boards' Association (hereafter "MSBA") by and through its Counsel, Hendren and Andrae, L.L.C., Richard S. Brownlee, III, and for its Position Statement respectfully submits as follows:

A. Do the competing tariff proposals each meet the statutory requirements of Section 393.310 RSMo Supp. 2002?

1. Does it provide for service to eligible school entities ("ESEs")?

a. Laclede proposal

**MSBA POSITION:** No. The Laclede proposal does not comply with 393.310 RSMo Supp. 2002. It neither complies with local franchise tax laws nor accomplishes aggregate purchasing of natural gas and transportation for schools, but instead continues general sales service to individual school accounts and creates a franchise tax on an artificial invoice.

b. MSBA proposal

**MSBA POSITION:** Yes. The MSBA proposal does comply with 393.310 RSMo Supp. 2002.

2. Does it permit aggregation of natural gas supplies and pipeline transportation by and through a not-for-profit school association?

a. Laclede proposal

**MSBA POSITION:** The Laclede proposal does not comply with 393.310 RSMo Supp. 2002. It requires Laclede to take intermediate title to the natural gas and does not provide for schools to take title under an aggregate supply purchase contract directly from resellers, which are purchasing from producers and wholesalers.

b. MSBA proposal

**MSBA POSITION:** The MSBA proposal does comply with 393.310 RSMo Supp. 2002.

3. Does it provide for resale of such natural gas supplies, including related transportation service costs, to the ESEs at the gas corporation's cost of purchasing such gas supplies and transportation, plus all applicable distribution costs?

a. Laclede proposal

**MSBA POSITION:** No. The proposed Laclede tariff would charge maximum MRT pipeline rates, in excess of Laclede's actual discounted costs. The Laclede tariff goes beyond providing small quantities of gas supply at its costs for balancing service gas and instead requires that Laclede take title to the school's base-load gas supply from the reseller, or marketer.

b. MSBA proposal

**MSBA POSITION:** Yes.

4. Does it provide for aggregation and balancing?

a. Laclede proposal

**MSBA POSITION:** No on aggregation. Yes on balancing. The Laclede tariff does not provide for aggregation; it continues sales service to individual school accounts.

b. MSBA proposal

**MSBA POSITION:** Yes.

5. Does it provide a permitted balancing and aggregation fee?

a. Laclede proposal

**MSBA POSITION:** Yes.

b. MSBA proposal

**MSBA POSITION:** Yes.

6. Does it provide exemption from special metering?

a. Laclede proposal

**MSBA POSITION:** Yes, by virtue of being silent with regard to special telemetry for any size school.

b. MSBA proposal

**MSBA POSITION:** Yes.

7. Does it have no negative financial impact on:

a. Other customers?

i. Laclede proposal

**MSBA POSITION:** Yes.

ii. MSBA proposal

**MSBA POSITION:** Yes.

b. Laclede Gas Company?

i. Laclede proposal

**MSBA POSITION:** Yes.

ii. MSBA proposal

**MSBA POSITION:** Yes.

c. Taxing authorities?

- i. Laclede proposal

**MSBA POSITION:** Yes and it would create a higher than legally prescribed tax by having a "tax-on-a-tax" computed on an artificial sales service invoice rather on the actual transportation service invoice.

- ii. MSBA proposal

**MSBA POSITION:** Yes.

8. Is the aggregation charge sufficient to generate revenue at least equal to all incremental costs caused by the experimental aggregation program?

- a. Laclede proposal

**MSBA POSITION:** Yes.

- b. MSBA proposal

**MSBA POSITION:** Yes.

9. Does it comply with all existing local tax laws?

- a. Laclede proposal

**MSBA POSITON:** No. It creates a franchise "tax-on-a-tax" and is computed on an artificial sales service invoice, which creates a higher than legally prescribed tax.

- b. MSBA proposal

**MSBA POSITION:** Yes

10. Does it contain other procedures that are reasonable or necessary to administer the experimental program?

- a. Laclede proposal

**MSBA POSITION:** No. The proposed Laclede tariff is operationally unworkable and provisions, such as forcing schools out of the program while still being responsible for

program costs, effectively eliminates any participation in an experimental program on the Laclede system.

b. MSBA proposal

**MSBA POSITION:** Yes.

B. For each of the above issues, which tariff terms, consistent with the statute, can and should the Commission approve in this proceeding?

1. Laclede terms

**MSBA POSITION:** No. The Proposed Laclede tariff terms are illegal, not in compliance with the Statute and unworkable.

2. MSBA terms

**MSBA POSITION:** Yes. The MSBA proposed tariff, which is the Laclede tariff with changes necessary to comply with existing tax laws, the Statute and proven methods of implementation of small volume transportation tariff for school aggregate purchasing of natural gas.

**WHEREFORE,** for the foregoing reasons, MSBA Staff respectfully requests that the Commission accept its Statement of Position.

Respectfully submitted,

HENDREN AND ANDRAE, L.L.C.



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**CERTIFICATE OF SERVICE**

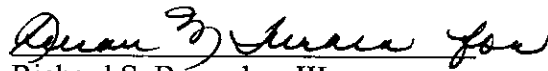
I hereby certify that a true copy of the foregoing has been mailed or and-delivered to the following on this 30<sup>th</sup> day of September, 2002:

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