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Safety Issues
Witness: Daniel F. Ryan
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LACLEDE GAS COMPANY

GR-2013-0171

DIRECT TESTIMONY

OF

DANIEL F. RYAN

DECEMBER 2012

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- Q. Please state your name and business address.
- A. My name is Daniel F. Ryan, and my business address is 720 Olive Street, St. Louis, Missouri 63101.
- Q. What is your present position?
- A. I am Director of Customer Care for Laclede Gas Company (“Laclede” or “Company”).
- Q. Please state how long you have held your position and briefly describe your responsibilities.
- A. I was hired by the Company into my present position in November, 2009. In this position, I am responsible for supervising the management of (i) the Customer Relations Department, which is essentially the call center, (ii) the Customer Accounting Department, including the meter reading, billing and collection functions, and (iii) the Community & Agency Services Department, which includes administration of heat grants and coordination with community action agencies.
- Q. Will you briefly describe your experience with Laclede?
- A. I started my career with Laclede in 1971 as a Mail Messenger. Following that entry level position, I held a number of jobs as a member of the collective bargaining unit, including Account Records Clerk, Field Collector, Meter Reader and Payroll Clerk. In 1981, I was promoted to a management position as a Retail Salesman in the Marketing Department. In 1982, I was promoted to Supervisor of Land Records in Exploration and Development. In 1983, I returned to the Marketing Department with a promotion to Commercial Sales Representative. In 1993, I was promoted to Supervisor, Commercial & Industrial Sales. In 1994 I was promoted to Manager, Commercial & Industrial Sales. In 2001 I was

1 promoted to Director of Marketing, a position which I held until I was promoted to my
2 present position.

3 Q. What is your educational background?

4 A. I am a graduate of Normandy Senior High School. I have also taken a number of college
5 courses at St. Louis Community College toward a degree in business.

6 Q. Have you served on the boards of any organizations?

7 A. For the past four years, I have served as a board member for St. Vincent's Home for
8 Children. I was Board Chairman in 2010-11.

9 Q. Have you previously filed testimony before this Commission?

10 A. No.

11 **PURPOSE OF TESTIMONY**

12 Q. What is the purpose of your testimony?

13 A. The purpose of my testimony is to present evidence regarding the Company's low-
14 income customers and to support the Company's tariff regarding the permanent
15 establishment of the Company's appliance repair program.

16 Q. What efforts has the Company made to assist its most vulnerable customers?

17 A. Laclede and its employees have long been involved in helping low-income customers
18 maintain utility service. I was working at Laclede in 1982 when the Company teamed
19 with Sister Pat Kelley to establish a program whereby Laclede collected an extra dollar
20 from paying customers to help customers who couldn't pay their heating bill, whether
21 that bill came from Laclede or from another energy service provider. I believe that this
22 program, named Dollar-Help, was the first of its kind in the nation. Laclede and its
23 employees supported Dollar-Help by providing free administrative services. Today, the

1 program contributes over \$1,000,000 per year to help more than 3,000 families in need.
2 The Company has also sent representatives to Washington, D. C. to advocate for
3 increased energy assistance funding (LIHEAP and ECIP) for low income customers. At
4 the state level, several years ago, Laclede spearheaded a successful effort to obtain state
5 funding for UtiliCare, a program that had existed under State law, but that had not
6 previously been funded. Although UtiliCare has not been funded recently because of
7 the State's fiscal problems, we remain committed to supporting efforts to obtain funding
8 from all sources.

9 Q. You discussed Dollar-Help. Does the Company provide other assistance at the
10 community level?

11 A. I am proud to say that Laclede and many of the folks in my organization have stepped up
12 our outreach efforts, and have joined with the Family Support Division of the Missouri
13 Department of Social Services, State Representatives, the Urban League, St. Louis
14 Clergy Coalition, Missourians to End Poverty, and other community organizations in an
15 effort to connect more directly with customers. Specifically, we have held programs in
16 the evening hours at schools and churches in lower income areas to educate our most
17 vulnerable customers on the availability of energy assistance and to direct them to the
18 agencies where they might obtain such assistance. And for decades now, we have hosted
19 an annual luncheon to thank the community action agencies and their dedicated
20 employees for their efforts on behalf of our customers. More recently, we have also
21 embedded customer service personnel with some of our agencies to help facilitate the
22 flow of energy assistance.

23 Q. Does Laclede sponsor other low-income energy programs?

1 A. Yes. Laclede has two low-income energy assistance programs. The first is a
2 Weatherization Program, where Laclede and its customers provide \$950,000 to the
3 Missouri Department of Natural Resources to supplement the funding DNR already
4 receives for the weatherization programs it administers. The Weatherization Program is
5 important because a customer's ability to pay the energy bill is a function of both the
6 customer's available funds and the amount of the bill. Some of our low-income
7 customers live in older homes that are poorly weatherized. I have seen bills of low-
8 income customers that are so large that customers with incomes well above the poverty
9 level would have difficulty paying them. As observed by Legal Services of Eastern
10 Missouri in its comments in Case No. GW-2013-0046, lack of weatherization is a
11 significant contributor to an inability to keep up with utility bills.

12 Q. What is Laclede's other low-income program?

13 A. Laclede has a Low-Income Energy Affordability Program that has two components. The
14 first is a bill credit program where a customer receives a credit against a levelized or
15 averaged bill, and then is expected to pay the remainder of the bill. The second is an
16 arrearage repayment program, under which Laclede matches customer payments against
17 arrearages on a dollar-for-dollar basis.

18 Q. Does the Company intend to continue its energy affordability program?

19 A. We look forward to sitting down with Staff, Public Counsel and other interested parties to
20 discuss whether and how much to change the current program. We wholeheartedly agree
21 with Public Counsel's comments in Case No. GW-2013-0046, that any such program
22 should be designed to balance the interests of the customers who will bear its costs with
23 the interests of the customers who will receive its benefits.

1 Q. Does Laclede seek to establish any other low-income programs?

2 A. Yes. In the past, Laclede has had a temporary program that assisted lower income
3 customers who could not obtain or keep space heating due to a faulty heating appliance.
4 The program provided funding to subsidize the cost of repairs to that appliance. Laclede
5 would like to renew this program with certain changes, rename it the Red-Tag Repair
6 Program and make it permanent.

7 Q. How does this program work?

8 A. Whenever a Laclede service technician turns on the flow of gas, the technician will
9 inspect the appliances and, if a furnace or boiler does not meet required standards, will
10 not relight that appliance, and may not restore gas service at all if that appliance cannot
11 be isolated. Instead, the technician will “red-tag” the appliance and advise the customer
12 that it needs to be fixed before service can be restored. In such cases, the program
13 provides for eligible customers to be referred to a social services agency, which can pay a
14 qualified repair service provider to fix the appliance. The program then provides funding
15 to reimburse the social services agency for the cost of repair. Payment for these repairs is
16 limited to \$450.

17 Q. Why does Laclede seek to make this program permanent?

18 A. Because it makes good sense. Where a lower income customer who is otherwise eligible
19 for gas service is left without heat because of a faulty appliance, we believe there is a
20 compelling justification for a program that can quickly and efficiently cure that problem
21 before a safety or health issue is created or exacerbated.

22 Q. How is Laclede proposing to change the program?

1 A. Previously the program was available only in the winter. While it will likely be used in
2 large part during the winter heating season, we would like to remove the limitations on
3 when it could be used. If we are going to help restore space heating appliances, we might
4 as well do so in such months as September and October as well as in the heart of winter.
5 Unquestionably, some customers whose space heating appliances have been red-tagged
6 will nevertheless attempt to turn those appliances on, especially if they do not believe
7 they can afford to have them repaired. Rather than wait for a health or safety issue to
8 occur or be imminent, Laclede would prefer to head off such issues by making the
9 program available year-round to lower-income customers who need repairs to space
10 heating appliances.

11 Q. How would this program be funded?

12 A. Please see the direct testimony of Michael T. Cline for an explanation of funding sources.

13 Q. Do you have any other changes to the Red-Tag Repair Program?

14 A. Yes, Laclede proposes to add a second component to the Red-Tag Repair Program, a
15 modest plan called Avoid Red Tags.

16 Q. How does Avoid Red Tags work?

17 A. When a Laclede field service representative (FSR) visits a customer, such as to turn-on
18 gas or investigate a gas odor, the FSR must frequently red tag appliances or customer
19 piping that is faulty or out of code. In such cases, the FSR leaves service off to the home
20 or at least to the faulty equipment. Customers undoubtedly find this result to be
21 frustrating and inconvenient, especially when they are taken by surprise by the
22 unexpected loss of use of a gas appliance. As with lower income customers, some
23 customers will re-light the appliance, an act that clearly presents an increased safety risk.

1 Avoid Red Tags permits the FSR to fix the problem while on site at no cost if the repair
2 can be done in no more than 15 minutes using parts that cost \$20 or less. Such a minimal
3 effort helps the customer avoid the frustration and inconvenience of contacting an HVAC
4 contractor for a simple repair that is not worth the HVAC contractor's time. In other
5 words, I believe Avoid Red Tags relieves both the customer and the HVAC contractor of
6 a needless nuisance, and provides the customer what he or she wants in the first place –
7 working gas service. Other customers also benefit because Laclede does not have to
8 incur the cost to revisit the property, either to turn service on once the minor repair is
9 made, or to respond to a problem caused by the customer relighting a faulty appliance.

10 Q. Does this conclude your direct testimony?

11 A. Yes, it does.

