

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Office of the Public Counsel, )  
 )  
Complainant, )  
 )  
v. )  
 )  
Laclede Gas Company, and )  
Missouri Gas Energy, )  
 )  
Respondents. )

**Case No. GC-2016-0297**

**RESPONSE OF LACLEDE GAS COMPANY  
TO OTHER PROCEDURAL SCHEDULE RECOMMENDATIONS**

COMES NOW Laclede Gas Company (“Laclede” or “Company”) on behalf of itself and its operating units, Missouri Gas Energy (“MGE”) and Laclede Gas (herein so called), and submits the following response to the Procedural Schedule Recommendations submitted in the above captioned case by the Office of the Public Counsel (“OPC”), Consumers Counsel of Missouri (sic), the Missouri Energy Consumers Group, and the Missouri Industrial Energy Consumers (collectively “the Proponents”) on August 25, 2016. In support thereof, Laclede states as follows:

1. On August 25, 2016, Laclede Gas submitted a proposed procedural schedule in this case that recommended a 97 day interval between direct and rebuttal testimony in this case, an interval that matched the interval originally adopted by the Commission in the recent earnings complaint case involving Ameren Missouri. Laclede proposed this interval even though it will have the responsibility in this case to respond to two cost of service and rate design recommendations for two operating entities that have their own revenue, rate base, expense and other unique ratemaking attributes (rather than the one cost of service and rate design at issue in the Ameren Missouri complaint proceeding).

2. On the same date, the Proponents presented a proposed procedural schedule that completely ignored the time intervals recognized by the Commission as reasonable in the Ameren Missouri case and instead proposed that the Company be given only 50 days from the time direct testimony is filed to submit rebuttal. The egregiously inadequate amount of time recommended by the Proponents should be rejected for several reasons.

3. First, Proponents rely on a misleading “apples to oranges” comparison to the direct and rebuttal testimony intervals in a rate case. Contrary to what the Proponents allege, parties in the Company’s last MGE rate case had nearly 6 months between the time the Company submitted its direct testimony, accounting schedules, minimum filing requirements and tariffs and the time by which they had to submit their rebuttal testimony. This is over *three times* longer than the Proponents’ proposal, and over 1½ times as long as Laclede proposed to review and analyze Complainant’s direct case, determine what witnesses need to be engaged, including outside experts, conduct discovery and prepare testimony and accounting schedules. No party would agree to a schedule that allowed 50 days to submit rebuttal testimony in response to all of the revenue requirement and rate design issues addressed in a rate case filing. If OPC was ordered to file rebuttal in 50 days, it would undoubtedly assert a due process violation. And yet that is the very result Proponents seek to effectuate with their proposed procedural schedule.

4. The Proponents also seek to justify their obviously inadequate interval between direct and rebuttal testimony by arguing that Laclede already has the data upon which their recommendations will be based. But Laclede will not have any idea of how Complainant used that data in its direct testimony until the Complainant responds to DRs sent after Laclede reviews Complainant’s direct case. For example, Laclede knows its own net income and common equity, yet it was not able to determine how Complainant calculated a simple return on equity for 20

days after Laclede sent a data request, at which time Laclede received a response indicating OPC's use of an unconventional and inaccurate method to determine ROE. In Complainant's 50 day rebuttal schedule, this would leave the Company less than 30 days to prepare rebuttal testimony on each of the issues raised in direct.

5. OPC supports its shortened schedule by asserting that its testimony will be more simplified than in a typical rate case, more accepting of Laclede's booked cost of service, and with fewer disallowances. These predictions are tempting but illusory, as OPC has offered no commitment or explanation of how simple its case will or even can be. Without this critical information, OPC's argument is simply designed to entice the Commission to issue a shorter schedule based on misleading predictions.

6. It is also noteworthy that most of the Proponents were also signatories to the pleading in the Ameren Missouri rate case that recommended an interval of 83 days between the Complainant's filing of direct testimony and the filing of rebuttal testimony. Even though the 90 day interval ordered by the Commission was subsequently extended to 120 days, the important point is that the Proponents themselves have previously recognized in another recent earnings complaint case that 50 days is simply an inadequate interval of time to mount a rebuttal case.

7. OPC also suggests that this case would take more than 11 months to process under the Company's proposed procedural schedule, comparing that to the normal 11 month time frame for processing a rate case. OPC is again comparing apples to oranges. OPC filed its Complaint without direct testimony and schedules, without any facts, and without even using a proper calculation method to reach a factual conclusion on ROE. On the other hand, when Laclede files a rate case, it requires months of preparation; this is time that the Commission does

not see because it precedes the filing. It is inaccurate for OPC to state that its bare complaint should start the same clock as a robust utility rate case filing.

8. Finally, the Proponents' assertion that their more accelerated schedule is necessary to reduce customer bills as soon as possible simply begs the central question of this proceeding. Both the Company and Staff have demonstrated that OPC's over-earnings contention lacks support, and OPC's unsubstantiated assertion to the contrary does not warrant depriving the Company of a reasonable opportunity to review and respond to whatever OPC finally submits in support of its assertion.

WHEREFORE, for the foregoing reasons, Laclede Gas respectfully requests that the Commission adopt the procedural schedule proposed by the Company.

Respectfully Submitted,

**/s/ Rick Zucker**

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**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the parties of record in this case on this 30th day of August, 2016 by United States mail, hand-delivery, email, or facsimile.

**/s/ Marcia Spangler**