

Exhibit No.:  
Issues: Tariff Issue  
Witness: Thomas A. Solt  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: GR-2010-0171  
Date Testimony Prepared: June 24, 2010

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**THOMAS A. SOLT**

**LACLEDE GAS COMPANY**

**CASE NO. GR-2010-0171**

**Jefferson City, Missouri  
June 2010**

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

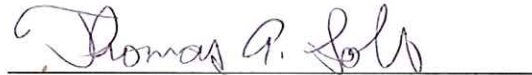
In the Matter of Laclede Gas Company's )  
Tariff to Increase Its Annual Revenues for )  
Natural Gas Service )  
)

Case No. GR-2010-0171

**AFFIDAVIT OF THOMAS A. SOLT**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Thomas A. Solt, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 3 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Thomas A. Solt

Subscribed and sworn to before me this 23<sup>rd</sup> day of June, 2010.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
\_\_\_\_\_  
Notary Public

**REBUTTAL TESTIMONY**  
**OF**  
**THOMAS A. SOLT**  
**LACLEDE GAS COMPANY**  
**CASE NO. GR-2010-0171**

Q. Please state your name.

A. Thomas A. Solt.

Q. Are you the same Thomas A. Solt who sponsored a section in the Staff's May 24, 2010 Rate Design and Class Cost of Service Report?

A. Yes, I am.

Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my Rebuttal Testimony is to address Laclede Gas Company (Laclede) witness Mike Cline's Direct Testimony relating to certain proposed changes to Laclede's tariff.

Q. Mr. Cline, in his Direct Testimony, on page 9, line 11 through page 11, line 15, recommends that the Commission allow Laclede a Customer Use Adjustment (CUA). Does Staff agree?

A. No. First, Staff has recommended a Straight Fixed Variable (SFV) rate design for Laclede in this case; which, if adopted, would obviate the need for a CUA. Second, a proposal such as the CUA would likely be found to constitute single issue ratemaking, because it would allow the Company to change rates and, therefore, revenues without taking into account other potentially offsetting changes. Staff believes that single issue ratemaking is not in the public interest.

1           In addition, while it may be within the discretion of the Commission to approve such a  
2       proposal, Staff believes a CUA would not be well accepted by ratepayers. I have attached  
3       several public comments Staff received in this case specifically addressing the CUA. At the  
4       time these comments were compiled, complaints about the CUA accounted for approximately  
5       nine (9) percent of the total comments received.

6           Q.     On page 17, lines 15-17 of his Direct Testimony, referring to tariff sheet no. R-  
7       5-c, Mr. Cline states that he “proposed to clarify the Company’s right to collect a deposit from  
8       a potential customer in advance of establishing service.” Does Staff support this change?

9           A.     No, Staff does not. Staff believes this change would be a violation of the  
10      Commission’s rules, specifically Commission Rule 4 CSR 240-13.030 (4) (I), which states:

11               A utility shall provide means where a customer required to make a deposit  
12               may pay the deposit in installments unless the utility can show a likelihood  
13               that the customer does not intend to pay for the service.  
14

15           Staff believes that the Company’s proposal to collect a deposit in advance of providing  
16       service violates this rule by not allowing a customer to pay his or her deposit in installments  
17       whether or not there is any likelihood the customer does not intend to pay for service.

18           Q.     On page 17, lines 17-20 of his Direct Testimony, Mr. Cline states that he has  
19       “proposed to revise Sheet No. R-13 to ensure that no stricter requirements are imposed on the  
20       Company to restore service to a disconnected customer than to initiate service for a new  
21       customer.” Does Staff support this change?

22           A.     No, Staff does not support this change, as it would be in violation of the  
23       Commission’s rules. Specifically, it would be a direct violation of Commission Rule 4 CSR  
24       240-13.050(11), which states:

25               Upon the customer’s request, a utility shall restore service consistent with all  
26               other provisions of this chapter when the cause for discontinuance has been

Rebuttal Testimony of  
Thomas A. Solt

1       eliminated, applicable restoration charges have been paid and, if required,  
2       satisfactory credit arrangements have been made. At all times, a reasonable  
3       effort shall be made to restore service upon the *day restoration is requested,*  
4       *and in any event, restoration shall be made not later than the next working*  
5       *day following the day requested by the customer.* The utility may charge the  
6       customer a reasonable fee for restoration of service, if provided in the utility's  
7       approved tariffs.  
8

9       The Company's proposal to take up to three working days to restore service violates  
10      this Commission rule by allowing the Company more than the next working day to restore  
11      service after the customer has requested restoration of service.

12       Q.     Does this conclude your Rebuttal Testimony?

13       A.     Yes, it does.

## Missouri Public Service Commission

Public CommentsPublic Comment No. **P201016041**Utility Type **Gas**Utility Company **Laclede Gas  
Company-Investor  
(Gas)**First Name **[REDACTED]**Middle Initial **N/A**Last Name **[REDACTED]**Street Address **[REDACTED]**Mailing Address **N/A**City **Manchester**State **[REDACTED]**Zip **[REDACTED]**County **[REDACTED]**Phone No. **N/A**Email **[REDACTED]**Case No. **GR-2010-0171**

Public Comments Description **I am writing in AGAINST the proposed Customer Usage Adjustment (CUA). Although it is fair for a company to charge based on usage, I believe it is unfair for Laclede Gas to penalize a customer for changing their usage pattern. For example, a household that increases or decreases the number of residents (for example children moving back home, or to college) is likely to have a large shift in their usage.**

Date Filed **5/1/2010 3:13:00 PM**

## Missouri Public Service Commission

Public Comments

Public Comment No. P201016012

Utility Type Gas

Utility Company Laclede Gas  
Company-Investor  
(Gas)

First Name [REDACTED]

Middle Initial [REDACTED]

Last Name [REDACTED]

Street Address [REDACTED]

Mailing Address N/A

City [REDACTED]

State [REDACTED]

Zip [REDACTED]

County St. Louis City

Phone No. [REDACTED]

Email [REDACTED]

Case No. [REDACTED]

Public Comments Description Laclede Gas proposed CUA, "that would apply a credit or surcharge... when customer usage is higher or lower than the usage levels used to establish rates," does that mean if you use more gas than "normal" you'll get a credit, and if less than normal you'll be charged extra? So people who turn down their heat to save money will pay for Laclede's credit to those who can afford to stay warm?! This is hardly just. Who determines/regulates the "usage levels used to establish rates"?

Date Filed 4/25/2010 2:30:00 PM

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MAY 5 2010

Records  
Public Service Commission

Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri  
65102



Our input is to deny Laclede Gas its request to  
approve an increase of \$60.7 million or ANY increase.  
The same for The Customer Usage Adjustment.  
It is time for Laclede to cut overhead and  
layers of management as well just like ANY  
US must in a household or business. They  
CANNOT continue to spend what they do  
not have. Begin holding them accountable and  
make them downsize to stay within a budget

Dr. Mrs. ~~[Signature]~~



**Missouri Public Service Commission****Public Comments**

Public Comment No.	P201016058
Utility Type	Gas
Utility Company	Laclede Gas Company-Investor(Gas)
First Name	[REDACTED]
Middle Initial	N/A
Last Name	[REDACTED]
Street Address	[REDACTED]
Mailing Address	N/A
City	[REDACTED]
State	[REDACTED]
Zip	63131
County	St. Louis County
Phone No.	N/A
Email	[REDACTED]
Case No.	GR-2010-0171
Public Comments Description	I would like to express my outrage that Laclede Gas would request it's customers, of which i am one, to agree to a \$60.7 million dollar rate increase along with a proposed rate increase via a CUA. In these economically difficult times in which every customer is living with less and less income and many are without a job or job security, it is unacceptable that Laclede would be granted any rate increase. It is time that Laclede Gas do as it's customers must do today--reduce, not increase costs.
Date Filed	5/5/2010 6:12:00 PM

## Missouri Public Service Commission

Public CommentsPublic Comment No. **P201016078**Utility Type **Gas**Utility Company **Laclede Gas  
Company-Investor  
(Gas)**First Name **[REDACTED]**Middle Initial **N/A**Last Name **[REDACTED]**Street Address **[REDACTED]**Mailing Address **N/A**City **[REDACTED]**State **[REDACTED]**Zip **[REDACTED]**County **N/A**Phone No. **[REDACTED]**Email **N/A**Case No. **[REDACTED]**

Public Comments Description (cld) I feel the customer usage adjustment provides Laclede Gas with unlimited opportunity to charge the customers anything they want to charge. Because if the customers uses less than what the company feels they should they implications is that one would get a credit. If they use more in addition to the rates already set they can charge you more because of this surcharge capabilities. I just feel that if they want to request a rate increase thats fine but to ask for more with this surcharge.

Date Filed **5/11/2010 10:40:00 AM**

**Missouri Public Service Commission****Public Comments**

Public Comment No.	<b>P201016136</b>
Utility Type	<b>Electric</b>
Utility Company	<b>N/A</b>
First Name	[REDACTED]
Middle Initial	<b>N/A</b>
Last Name	[REDACTED]
Street Address	[REDACTED] 11
Mailing Address	<b>N/A</b>
City	[REDACTED]
State	[REDACTED]
Zip	[REDACTED]
County	[REDACTED]
Phone No.	[REDACTED]
Email	<b>N/A</b>
Case No.	<b>GR-2010-0171</b>
Public Comments Description	<b>The government should not allow a utility company, in this case Laclede Gas, to charge customers a higher Customer Usage Adjustment fee for not using enough of their natural resources. It encourages the public to be less conservative with those natural resources because some people would rather get more gas for the same price than pay a fee for not using as much. I try to conserve the natural resources, and it is not fair for me to have to pay Laclede more because I try to use less gas.</b>
Date Filed	<b>5/21/2010 5:08:00 PM</b>

**Solt, Tom**

**From:** [REDACTED]  
**Sent:** Thursday, May 20, 2010 1:36 PM  
**To:** OPC Service  
**Subject:** [Released] Laclede Gas Rate Hike

The rate increase seems excessive. I am against it since I am struggling now and I have a job. I hope the Missouri Public Service Commission is protecting us. I certainly do NOT agree with the paragraph below. There is not enough manpower to verify customers do not owe them money. It sounds open-ended and totally unregulated. I do NOT want them charging me or crediting me due to what they say are legitimate estimates of usage!!!

Laclede also proposes to implement a Customer Usage Adjustment (CUA) that would apply a credit or surcharge to residential and commercial customers' bills when customer usage is higher or lower than the usage levels used to establish rates. The impact of the CUA for residential customers is expected to be no more than 1/2 of 1% of a customer's total bill.

[REDACTED]  
Department Technical Assistant  
[REDACTED]  
[REDACTED]  
[REDACTED]

6/11/2010

**Solt, Tom**

**From:** [REDACTED]  
**Sent:** Thursday, May 20, 2010 11:46 AM  
**To:** OPC Service  
**Subject:** Proposed Rate Increase

Dear Sirs,

I am writing in regards to the proposed rate increases requested by Laclede Gas Company. I will be unable to attend any of the public hearings, but wish my thoughts to be considered.

While I can understand that prices, over time, inevitably go up and Laclede's increases will benefit their employees, I find it distressing to think that in a time of economic recession, prices on something as fundamental as gas are going up. Laclede believes that the average user's bill will only go up by \$5.59 per month, but that does not take into account the additional taxes and charges on that amount. Furthermore, many customers are living paycheck to paycheck, if they are even working, and even a small increase like this will impact them negatively.

I am personally offended by the proposed Customer Usage Adjustment. A charge because I am using more or less gas than previously? That's outrageous. Does a gas station get to charge me more because I didn't fill up my tank this time, but I usually do? No! Of course not. Such a thing is too outrageous to be believed. So why should Laclede get to do something similar? I don't care if it is "1/2 of 1%," it's too much. Adjustments to rates are made periodically and to charge me because I used less of their product is odious.

If these changes are made, I will find a way to change gas companies, even if that means moving somewhere else so I don't have to deal with them. This kind of gouging of the public is not to be tolerated.

Sincerely

[REDACTED]

6/11/2010

**From:** [REDACTED]

**June 3, 2010**

**To: Missouri Public Service Commission**

**RE: Proposed rate increases for Laclede Gas**

I am writing to express my opinion and concerns regarding the proposed rate increase request by Laclede Gas.

First, I think that a rate increase of \$60 to \$70 per year for the average customer is outrageous. These are extremely difficult times for many of us who are struggling just to keep our homes and struggling to stay employed. I myself have cut expenses everywhere possible as I am still looking for a new job.

Secondly, there are already millions of folks who cannot pay their current gas bill each winter. How are they to pay the increase? The increase will result in thousands more people not being able to pay their bill.

Also, it is both morally and legally wrong for Laclede to try to bill me for gas service I do not use. We have been preached at by our local and federal government, the electric and gas companies to become more energy efficient. I invested several thousands of dollars in new windows, energy efficient appliances, better insulation, etc. all to do my part to become energy efficient. And I am proud to say that my utility bills reflect lower usage amounts and lower dollars because of these efforts. Now Laclede wants the right to charge me an extra fee if I use MORE or LESS than what they consider the average usage.

Who will determine what are "Normal" usage levels? What guidelines are in place to prevent Laclede from adjusting the "normal usage levels" to their benefit? If they set their normal usage levels lower, all of us who have worked hard to lower our usage will now be in a new bracket and possible then fall into the "more than average" category, and be penalized. Likewise, many of us who would have qualified for a credit for using less, would no longer be qualified such credit.

In other words, Laclede wants a way to bill each customer "X" amount of dollars regardless of their usage. This is outrageous! Where is the incentive to "go green"? This is obviously just another twisting of the numbers to get the results Laclede wants. Where are the guidelines that explain the details, where are the rules to protect the customer?

I am asking that their rate increases (all of them) be denied.

Sincerely, [REDACTED]

**NOTICE OF LOCAL PUBLIC HEARINGS REGARDING PROPOSED RATE INCREASE**

In December 2009, Laclede Gas Company asked the Missouri Public Service Commission (PSC) to approve an increase in its natural gas service rates of approximately \$60.7 million, of which approximately \$8.1 million is already being recovered in rates through Laclede's Infrastructure System Replacement Surcharge (ISRS), resulting in a net increase of \$52.6 million. For the average residential customer the proposed increase would be approximately \$5.59 per month. Laclede also proposes to implement a Customer Usage Adjustment (CUA) that would apply a credit or surcharge to residential and commercial customers' bills when customer usage is higher or lower than the usage levels used to establish rates. The impact of the CUA for residential customers is expected to be no more than 1/2 of 1% of a customer's total bill.

The PSC will conduct an investigation and hold hearings to determine if the proposed rates are just and reasonable. The PSC has the authority to approve rates that are lower than Laclede's request depending on the results of its investigation and hearing.

The PSC will hold public hearings in which customers will have an opportunity to present comments to the PSC commissioners about the rate increase request. Public comment hearings have been set before the PSC as follows: