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

In the Matter of Laclede Gas Company’s ) **File No. GR-2017-0215**

Request to Increase Its Revenue for Gas Service )

In the Matter of Laclede Gas Company d/b/a ) **File No. GR-2017-0216**

Missouri Gas Energy’s Request to Increase Its )

Revenues for Gas Service )

**TRUE-UP POSITION STATEMENTS**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and provides its *True-Up Position Statements* for each of the issues included on the previously-filed *True-Up List of Issues* on which it takes a position.

**LIST OF ISSUES**

**I. AMR Meters – LAC Only**

*a. What is the appropriate amount to include in rates to account for expenses related to LAC’s purchase of automated meter reading (“AMR”) devices?*

The appropriate amount of expense related to AMR devices to include is $0. LAC incurs no additional expenses outside of the $0.24 per meter read cost already included in the cost of service for AMR devices. All maintenance expenses are included in that fee per the amended contract. LAC’s inclusion of $700,000 is a proposal to include a level of ongoing expense for future capital costs.

*b. What is the appropriate amount to include in the cost of service to account for property taxes related to the AMR meters?*

The appropriate level of property taxes to include for the AMR devices is $0. LAC purchased the AMR devices on July 1, 2017 and as such property taxes will not be assessed on this property until January 1, 2018. The property taxes for the AMR devices will not be incurred until December 31, 2018.

**II. Incentive Compensation**

*a. What level of expense should be included in the cost of service to account for incentive compensation plans utilized by LAC/MGE?*

In accordance with Commission precedent, ratepayers should only bear the cost of incentive compensation programs that have metrics tied to ratepayer benefits. The Commission should adjust LAC/MGE’s rate base and expense for non-union employee incentive compensation that awards incentives based on financial metrics aimed to maximize shareholder wealth. Further, the Commission should adjust LAC/MGE’s rate base and expense for the individual components of non-union employee incentive compensation that are not tied to ratepayer benefits.  Staff recommends a total reduction to LAC/MGE revenue requirement of $4.8 million for non-union employee incentive compensation that is not aimed to benefit ratepayers.

**III.** OPC Issue - **Forest Park Depreciation Reserves**

*a. Did Laclede improperly use mass asset accounting in addition to gain accounting for the retirement of the Forest Park buildings? If yes, what adjustment should be made to reserves?*

Staff takes no position on this issue.

**IV.** Company issue - **Weather Normalization Adjustment Rider Tariff**

 *a. What modifications, if any, should be made to the weather normalization adjustment rider tariff submitted by Staff on the last day of the evidentiary hearing as Exhibit 281?*

Staff takes no position on this issue.

Respectfully submitted,

**/s/ Whitney Payne**

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**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing was served electronically, or hand-delivered, or via First Class United States Mail, postage prepaid, on all parties of record herein on this 2nd day of January, 2018.

**/s/ Whitney Payne**