

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

In the Matter of the Tariff Filing of)	
Laclede Gas Company to Implement)	
An Experimental Low Income Assistance)	Case No.GT-2003-_____
Program called Catch-Up/Keep-Up)	

AFFIDAVIT OF JOHN MOTEN, JR.

John Moten, Jr., of lawful age and being first duly sworn, deposes and states:

1. My name is John Moten, Jr., and my business address is 720 Olive Street, St. Louis, Missouri 63101.

2. I currently serve as Senior Vice President-Operations and Marketing for Laclede Gas Company. I joined Laclede in 1962 as an Assistant Chemist and was promoted to Chief Chemist in 1967. I then became Laboratory Superintendent in 1972 and Director of Laboratory Services in 1973. In 1980 I was made Director of Conservation Services and then Director of Community Affairs/Conservation in 1986. I became Vice President, Community Relations in 1994. As stated above, I assumed my present position on July 1, 2001.

3. In my present position, I have overall management responsibility for the Company's operational and marketing functions. The operational function includes oversight of the Company's construction, maintenance, service and installation activities, information systems activities, and the various departments that support them. In addition, I also oversee the Company's legislative efforts to obtain adequate funding, governmental and otherwise, for energy assistance for low-income households within the

Laclede service territory and across the State as well as its implementation of certain customer assistance programs. These programs include, among others,

- The Laclede Employee Volunteer Weatherization Program (WeatherWise) for elderly and handicapped low-income households.
- The Laclede EnergySmart Programs for low-income energy assistance recipient households who are without natural gas service at the start of winter (Customer Assistance Program); and informational workshops at social service agency sites (Customer Education Program).
- Administrative support for the Dollar-Help Program.
- Involvement in non-profit organizations established to help the community.
- Employee volunteer programs to assist customers and their families such as fundraising for Dollar-Help, Arts & Education Council and United Way.

4. As a result of my involvement in these activities, I am familiar with the Company's Catch-Up/Keep-Up Program (hereinafter "the Program") which was filed with the Commission on September 23, 2002. I am also familiar with the need for the Program, its proposed structure and operation, the revisions that have been made to the Program in response to the concerns raised by other parties, and the statements concerning the Program that are set forth in LACLEDE GAS COMPANY'S VERIFIED MOTION FOR APPROVAL OF TARIFF FILING ON LESS THAN THIRTY DAYS' NOTICE AND FOR EXPEDITED TREATMENT which was also filed on September

23, 2002. I hereby swear and affirm that such statements are true and correct to the best of my knowledge and belief.

5. With respect to the need for the Program, the most recent information available to Laclede as of August 31, 2002, indicates that there are approximately 117,000 residential customers of Laclede who have arrearages of thirty days or more, as measured from the date when the customer's bill becomes delinquent. The total amount of arrearages accumulated by these customers is approximately \$18.8 million dollars. These figures include approximately 21,200 customers who have had their accounts finaled-out and are therefore no longer connected to the Company's system. The majority of these accounts have been "finaled-out" because of the customer's inability or failure to pay charges for utility service. The total arrearages for this group of customers is approximately \$9.5 million. It should be noted that these arrearages have accumulated notwithstanding the fact that the Company just experienced an extremely mild winter during which utility bills were relatively low. They could be expected to increase and increase dramatically in the event of a colder than normal winter and perhaps even a normal winter. In my opinion, these figures demonstrate the need for the Catch-Up/Keep-Up Program at the funding level proposed by the Company.

6. The need for such funding is also supported by government data. The federal government has recognized that "Energy costs account for a sizable portion of living expenses for poor families. To help meet rising costs, the Low Income Home Energy Assistance Program (LIHEAP) was established in 1980."¹ The "portion of living expenses" cited above is generally referred to as "energy burden" i.e., the ratio of

¹ U.S. Senate report 103-251 on S.2000, April 19, 1994.

household energy costs to household income, or the percent of household income spent for home energy.

7. In a 1995 U. S. Department of Health and Human Services Report to Congress it was reported that the energy burden nationally for low-income households was 16%. The maximum affordable burden was considered to be 10%. The report listed the annual household energy cost (gas and electric) for low-income households to be \$1,294 per year for households with incomes of \$8,000 per year or less. The study assumes that even if the household pays 10% of its income for energy, or \$800 per year, the household would have an "affordability gap" of \$494 per year (\$1,294 - \$800). When we consider the average LIHEAP grant is about \$200, it becomes clear that LIHEAP does not cover this gap, although it does provide a sorely needed supplement to help needy families.

8. The average LIHEAP recipient household in FY 2000, the most recent year available, had an estimated average annual income of \$6,972 and household size of 2.6. Assuming an energy burden of 16%, these households spent on average \$1,115 on home energy. By comparison, a middle-income family earning \$40,000 annually would have to spend \$6,400 per year on home energy, if it had the same 16% energy burden as the average LIHEAP recipient. It should be noted that under LIHEAP eligibility guidelines in Missouri, a family of 3 is eligible for assistance with a household income of up to about \$14,000 annually.

9. In FY 2000, one of the warmest winters on record, 14,196 Laclede customers received LIHEAP. Of these, 2,552 households received additional assistance in the form of Dollar-Help, Dollar More, ECIP etc. The amount of assistance received by

Laclede's customers from LIHEAP, ECIP, Dollar-Help and Dollar More totaled about \$3,957,296 in FY 2000. It is estimated that about 15% of the households eligible for LIHEAP receive assistance. Therefore, the eligible LIHEAP population in the Laclede service area is estimated to be at least 96,640.

10. In addition to these factors, recent AGA data shows that most LIHEAP recipients do not receive welfare or other forms of public assistance. "Instead, they are working, retired or disabled people with below-poverty incomes who receive \$200 per year on average to pay toward a natural gas, fuel oil or electricity bill that averages \$1,000. More than half of LIHEAP beneficiaries use natural gas heat on a national basis."

11. Given the importance of LIHEAP assistance to its customers, Laclede has assumed for many years a significant leadership role in advocating LIHEAP funding at the both the federal and state level. I have personally worked for fourteen years directly with the National Fuel Funds Network (NFFN), the National Low Income Energy Consortium (NLIEC), the LIHEAP Coalition and National Consumer Law Center (NCLC) in support of LIHEAP funding. Additionally, I have worked with industry associations such as the American Gas Association and Associated Gas Distribution Companies (AGD) in support of LIHEAP. Laclede personnel, working with Sister Patricia Kelley, helped found NFFN in 1984, and have been a part of the organization for the last eighteen years, including various leadership roles. NFFN, with assistance from Laclede, has annually submitted oral and written testimony in support of LIHEAP funding before relevant Congressional committees for the last fifteen years.

12. Laclede has been widely recognized for its efforts in support of LIHEAP as exemplified by the 1994 NFFN Sister Patricia Kelley Achievement Award and the Human Development Corporation's 1990 Humanitarian Award. In addition, I have personally made presentations on energy assistance issues and needs before almost all of the above organizations' national conferences, as well as testified before Congressional and Missouri House and Senate committees. In March 2000, I presented the American Gas Association's oral testimony in support of LIHEAP before the U. S. House Labor-HHS and Education Appropriations Subcommittee. We have also worked very actively with the Committee to Keep Missourians' Warm and other parties to pass the state Utilicare law and obtain state appropriations for energy assistance.

13. Unfortunately, the amount of LIHEAP funding available to Laclede for the upcoming winter is likely to remain at the reduced levels authorized and received by Laclede during the previous winter. Moreover, the Missouri General Assembly did not appropriate any funds for the state UtiliCare program this year. This follows on the heels of the situation last year where only a fraction of the amounts authorized by the General Assembly were spent because of how the UtiliCare law was interpreted. While Laclede worked with other parties in the last legislative session to modify the law to prevent a reoccurrence of this situation, it was not possible to obtain funding.

14. Given the foregoing, the Catch-Up/Keep-Up Program will provide a valuable source of funding at a time when there is a significant need for it. The Program will also complement other low-income assistance initiatives that have been undertaken by Laclede. Laclede has voluntarily initiated a variety of programs to assist low-income customers such as the EnergySmart Programs which include the Customer Assistance

Program (CAP) and Customer Education Program (CEP), as well as the WeatherWise Program. Both programs, Energy Smart and WeatherWise, have won industry awards or recognition for their design and service delivery.

15. CAP was initiated in 1996 in an effort to identify particularly vulnerable customers who received energy assistance the previous year, but whose gas service was not active at the start of the Missouri Cold Weather Rule period. The purpose of this program is to be proactive in an attempt to avoid winter tragedies. After the above households have been identified, Laclede's personnel, while on their regular routes, without inquiry, will make an assessment as to whether the households appear to be occupied. If it appears that the households are occupied, Laclede's Community Services Department will coordinate efforts to get information about available energy assistance to the households and assist where feasible in facilitating the delivery of assistance through various private and public social service agencies. Additionally, customers receiving collection notices are also provided with information on how to obtain energy assistance.

16. With regard to customer education, Laclede's Community Services Manager, as well as other employees, conduct workshops at various social service agency sites for low-income customers. At these workshops, attendees are provided with information on how they can implement various low or no-cost weatherization energy conservation measures to reduce their energy usage. Workshop participants are also advised that they can contact the Company when they have problems paying their bills and are encouraged to do so. Additionally, during the workshops, Laclede employees working with host social service agencies will attempt to obtain assistance for

participants whenever possible or at least initiate the assistance process. Some of the information provided is attached to my affidavit.

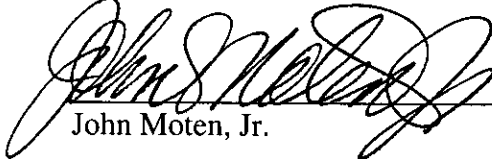
17. WeatherWise, initiated in 1996, is designed to provide weatherization assistance to needy, low-income elderly and handicapped households. Under the Program, Laclede purchases weatherization kits for the Program and provides the tools needed to install the weatherization measures. Laclede employees, family members and friends volunteer to weatherize the homes of recipient households on their own time, on Saturdays in October. This Program has received national awards and recognition as well as praise from citizens and the local media.

18. For the 2000-01 winter, CAP provided information to 3,247 households and obtained assistance funds totaling \$94,309.03. The customer education workshops beginning February 1996 to date have assisted over 1,122 households and obtained assistance totaling \$476,917. As a result of the WeatherWise Program more than 600 households have been weatherized over the last six years.

19. Finally, as I indicated previously, Laclede has also been actively involved for many years in raising non-governmental sources of money for low-income energy assistance. These efforts have included both monetary and administrative support for Dollar-Help, including direct contributions, as well as other programs that assist vulnerable customers. Laclede is committed to continuing these efforts in the future.

I hereby swear and affirm that my statements contained in this affidavit are true and correct to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NOT.


John Moten, Jr.

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

Subscribed and sworn to before me this 20th day of September, 2002.



ADELE M. FOLLMER
Notary Public — Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: June 11, 2004