Exhibit No.:	
Issue:	*Tariffs, Rate Design*
Witness:	*Robin Kliethermes*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*GR-2017-0215 and GR-2017-0216*
Date Testimony Prepared:	*October 20, 2017*

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

OPERATIONAL ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

ROBIN L. KLIETHERMES

SPIRE MISSOURI, INC., d/b/a SPIRE

LACLEDE GAS COMPANY and MISSOURI GAS ENERGY
GENERAL RATE CASE

CASE NOS. GR-2017-0215 AND GR-2017-0216

Jefferson City, Missouri
October 2017

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CASE NOS. GR-2017-0215 and GR-2017-0216

Q. Please state your name and business address.

A. Robin Kliethermes, 200 Madison Street, Jefferson City, MO 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission ("Commission") as the Rate and Tariff Examination Manager of the Tariff and Rate Design Unit of the Operation Analysis Department of the Commission Staff.

Q. Are you the same Robin Kliethermes that previously filed testimony in Staff's Direct Rate Design and Class Cost of Service Report?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to:

1. Address MGE's recommendation to remove its current service area description on Tariff Sheet Nos. 6 through 8.
2. Address LAC and MGE's witness Timothy S. Lyons and the National Housing Trust's witness Annika Brink regarding residential customer charges.
3. Address MIEC's witness Brian Collins regarding class revenue responsibility.
4. Address LAC/MGE's proposed Low Income Affordability Program.

5. Address Staff's concerns regarding labelling and numbering of LAC's and MGE's proposed revised tariff sheets filed in Case Nos. GR-2017-0215 and GR-2017-0216.

6. Address a correction to Staff's class cost of service study for LAC.

RESPONSE TO MGE'S SERVICE AREA DESCRIPTION IN TARIFF

Q. How is MGE's service area described in MGE's currently effective Tariff Sheets?

A. Currently, in MGE's effective tariffs, there is an Index of Communities Served starting on Tariff Sheet No. 3 that lists the communities where MGE provides service; an Index of Certificated areas on Tariff Sheet Nos. 6 through 6.16 that provides the public land survey system information (township, range, and section) for each county where MGE provides service; and Maps of Certificated Areas starting on Tariff Sheet No. 7. Additionally, on Tariff Sheet Nos. 6 through 6.16, MGE provides a distinction between areas where MGE holds an area certificate or line certificate. Below is an excerpt from Tariff Sheet No. 6 showing the start of the Index of Certificated areas using the public land survey system information:

TOWNSHIP	RANGE	SECTIONS
ANDREW COUNTY		
T58n	R35w	1,2,3,10,11,12,13,14,15,20,21,22,23,24
T59n	R35w	8,9,10,13,14,15,16,17,22,23,24,25,26,27,34,35,36
BARRY COUNTY		
T23n	R27w	5,6,7,8,17,18,19,20,21,27,28,29,30,31,32,33
T23n	R28w	1.12.13.24.25.26.27.28.33.34.35.36
T24n	R27w	6.7.18.19.30.31
T24n	R28w	1.2.11.12.13.14.23.24.25.26.36
T25n	R27w	5,6,7,8,9,10,11,14,15,16,17,20,21,28,29,31,32,3
T26n	R27w	31,32,33
T26n	R28w	36
T27n	R24w	31

Q. Is the public land survey system used to develop county plat maps?

A. Yes.

Q. How is MGE proposing to change the above description?

A. MGE is proposing to eliminate the Index of Certificated areas and the Maps of the Certificated areas from MGE's tariffs and simply replace them by adding the below paragraph to MGE's proposed Rules and Regulations:

> **<u>MISSOURI GAS ENERGY OPERATING UNIT</u>**
>
> All areas and communities served in Andrew, Barry County, Barton County, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, DeKalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Newton, Pettis, Platte, Ray, Saline, Stone, and Vernon Counties.

Q. Does MGE's proposed description provide the specific boundaries of MGE's service area within a specific county, or does it state whether MGE holds a line or area certificate in the county?

A. No.

Q. Are there other natural gas utilities certificated to provide service in the same counties in which MGE is certificated to provide service?

A. Yes. The Empire District Gas Company ("Empire") is also certificated to provide service in Andrew, Cooper, Henry, Howard, Johnson, LaFayette, Pettis, Ray, Saline and Vernon Counties. Further, Summit Natural Gas of Missouri ("Summit") is certificated to provide service in Greene and Stone counties.

Q. Do Empire's and Summit's currently effective tariffs provide the public land survey system information for counties in which Empire and Summit are certificated?

A. Yes. An excerpt from Empire's current tariff regarding Andrew County, and Summit's current tariff regarding Stone County, is below.

NW System

County	**Township**	**Range**	**Sections**
Andrew	61 North	34 West	6, 7, 18, 19
Andrew	61 North	35 West	1 – 5, 8 – 17, 20 – 24

County*	Township*	Range*	Sections*
Stone*	23 North	23 West	2,12, 13,24
Stone	23 North	22 West	7, 16, 17, 18, 19, 20, 21, 28, 29, 30, 33
Stone	22 North	22 West	4
Stone*	24 North	24 West	12
Stone*	24 North	23 West	29, 33, 35
Taney*	23 North	22 West	14, 22, 23, 24, 25, 26, 27, 34, 35, 36

Q. Under MGE's proposed language, using Andrew County as an example, is it clear which areas within Andrew County MGE is or is not certificated to provide service ?

A. No. Based on MGE's proposed description, a customer cannot determine whether MGE or Empire is the certificated natural gas service provider. A customer would have to either contact the Company or research past Certificates of Convenience and Necessity ("CCN") approved by the Commission.

Q. Does MGE's current Index of Certificated Areas more clearly define boundaries of MGE's service area within Andrew County?

A. Yes. As shown above, MGE's Index of Certificated Areas shows the township, range and sections where MGE provides service in Andrew County.

Q. Is there a Commission Rule that requires a utility to provide the township, range and sections for counties where MGE provides service within a Company's tariffs?

A. There is none of which I am aware. However, according to 4 CSR 240-3.205, when a gas company files an application for a certificate of convenience and necessity they must file a map and a legal description including the metes and bounds of the proposed service area.

RESPONSE TO RESIDENTIAL CUSTOMER CHARGES

Q. What residential rate designs are requested by LAC and MGE?

A. LAC and MGE request an initial increase in the customer charges and an increase in summer per unit charges. Then, in conjunction with the requested revenue stabilization mechanism, LAC and MGE request to reduce residential customer charges from $19.50 to $17.00 and from $23.00 to $20.00. The current, initial period requested, and ongoing requested rate designs are provided below.

		November -April		May - October	
Laclede Rate Classes	Customer Charge	1st 30 Therms	All Additional Therms	1st 30 Therms	All Additional Therms
Current	$ 19.50	$ 0.91686	$ -	$0.31290	$0.15297
Prior to Oct. 2018	$ 23.50	$0.28286		$0.28286	
After Oct. 2018	$ 17.00	$0.37962		$0.37962	

MGE Rate Classes	Customer Charge	All Energy	
Current	$ 23.00	$0.07380	Per CCF
Prior to Oct. 2018	$ 25.50	$0.15055	Per Therm
After Oct. 2018	$ 20.00	$0.23500	Per Therm

Q. What rationale do LAC and MGE discuss for this rate design?

A. While Mr. Lyons discusses recovery of "fixed" costs, he states on page 36 of his direct testimony that "the customer charges were designed to be meaningfully lower in alignment with the Company's [Revenue Stabilization Mechanism] proposal."

Q. What is the National Housing Trust's witness Annika Brink's residential rate design recommendation?

A. Ms. Brink states on page 5 lines 8-10 of her direct testimony that she supports LAC's and MGE's proposal to reduce residential customer charges from $19.50 to $17.00 and from $23.00 to $20.00. However, Ms. Brink does not make a recommendation on the volumetric portion of the rate design nor does she address the volumetric rates recommended by LAC or MGE. She also does not address LAC's and MGE's requested initial customer charge rate increase. Also, she does not provide a cost-based rationale for her recommendations.

Q. Is the final dollar value requested by Mr. Lyons and adopted by Ms. Brink similar to Staff's rate design recommendation?

A. For MGE the resulting customer charges are similar, in that Staff is recommending to reduce the customer charge from $23.00 to $20.00. However, for LAC Staff is recommending increasing the customer charge from $19.50 to $26.00. As discussed in more detail in Staff's Class Cost of Service and Rate Design Report, both of these recommendations are primarily based on cost as derived from Staff's Class Cost of Service Study, with concern for customer impacts and other policy considerations such as encouragement of energy efficiency.

Q. On what policy objective does Ms. Brink base her residential rate design recommendation?

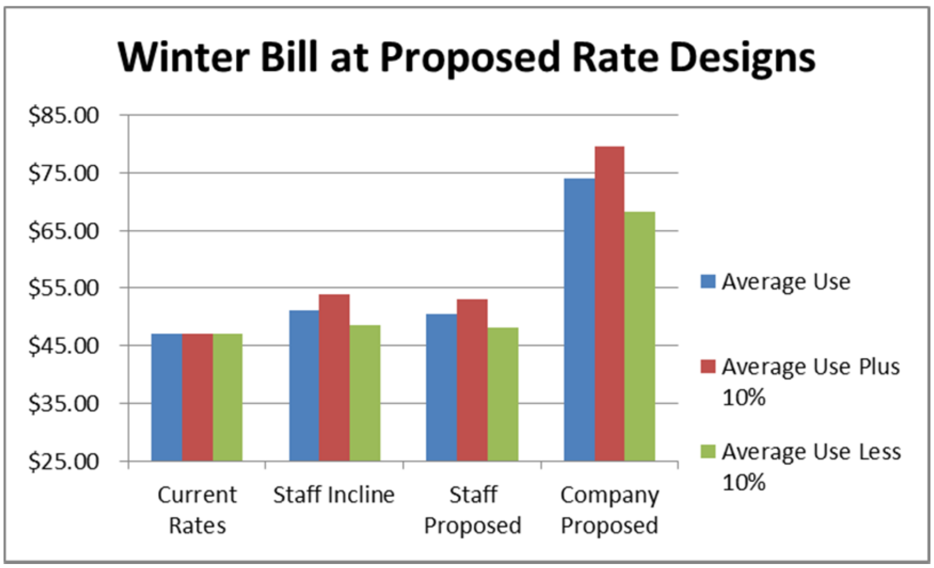
A. Ms. Brink prioritizes encouragement of energy efficiency in her rate design recommendation.

Q. Does Staff's approach encourage energy efficiency?

A. Staff's approach does encourage energy efficiency; however, it also recognizes gradualism and customer impacts.

Q. To illustrate how Staff's approach encourages energy efficiency, particularly as compared to the existing LAC rate design, could you compare the monthly bills for a residential customer under the current LAC rate design, Staff's recommended rate design, Staff's alternative rate design, and LAC's proposed rate design, which is endorsed by the National Housing Trust?[1]

A. Yes, provided below are the resultant non-gas bills under the current and each proposed rate design for a residential LAC customer at a winter[2] usage of 150 therms a month.



Q. Does Staff's proposed rate design result in non-gas bill savings due to reductions in usage and a higher bill due to increases in usage?

A. Yes. While LAC's current winter rate design insulates most gas customers from any non-gas bill variation no matter the level of usage, Staff's design introduces an increase to the bill associated with increasing gas consumption, and a decrease to the bill

[1]Since Ms. Brink did not make a recommendation on the volumetric portion of the rate design and supports the Company's residential customer charges, I used the Company's rate design proposal as the National Housing Trust's proposal.
[2] LAC defines winter months as the six months of November, December, January, February, March and April.

associated with decreasing gas consumption. These price signals are slightly magnified in Staff's alternative inclining block design. However, the bill savings or bill increases due to changes in a customer's usage under Staff's designs are not as extreme as LAC's rate design proposal. Schedule RK-r1 also provides monthly bill comparison of the different rate design proposals for various levels of usage.

Q. Does Staff's recommended rate design include an initial rate adjustment from the time rates take effect until October 2018, prior to recommending ongoing rates to take effect?

A. No. Staff is not aware of a reasonable reason to delay implementation of ongoing rates.

RESPONSE TO MIEC REGARDING CLASS COST OF SERVICE

Q. Have you reviewed the rebuttal testimony of MIEC witness Brian C. Collins?

A. Yes.

Q. Did Mr. Collins develop a Class Cost of Service Study?

A. No. On page 10, lines 3 through 5 of Mr. Collins' direct testimony he states his opinion that LAC's and MGE's CCOS studies are reasonable for the purpose of establishing rates.

Q. Although Mr. Collins did not develop a CCOS study, did his testimony discuss allocation methods used to allocate costs to LAC's and MGE's rate classes?

A. Yes. Mr. Collins discusses the importance of meeting customers' demand on the system peak day and states, "Because cost causation is driven by design day demand, distribution-related costs should be allocated based on design day."[3]

[3] Page 15, line 12 of Brian C. Collins Direct Testimony

Q. In the submitted Class Cost of Service Studies, did LAC and MGE allocate all distribution-related costs on design day?

A. No. LAC and MGE only allocated a portion of distribution mains on design day demand. Other distribution costs such as service lines, meters and regulators were allocated using specific class information regarding the size and cost of the service lines, meters and regulators needed to serve each class.

Q. Did Mr. Collins use the results of LAC's and MGE's CCOS studies to develop a class revenue responsibility recommendation?

A. Yes.

Q. If LAC and MGE had allocated all distribution-related costs on design-day demand as advocated by Mr. Collins, would the results of LAC's and MGE's CCOS studies have changed?

A. Yes. Although, the magnitude of the change to LAC's and MGE's CCOS studies is unclear, the design-day demand allocator would allocate more costs to the industrial customer classes[4] compared to the allocators used by the Companies for the other distribution costs mentioned above.

Q. Although there is a discrepancy between Mr. Collins' recommended allocation method for distribution-related costs and the allocation method for distribution-related costs used in LAC's and MGE's CCOS studies, did Mr. Collins rely on LAC's and MGE's CCOS studies to develop his class revenue responsibility recommendation?

[4] Industrial classes are the Large Volume, LV Transport and Interruptible sales class.

A. Yes. Mr. Collins used the Companies' revenue requirements and the Companies' class cost of service studies to develop his recommendation regarding the levels of revenues each class should recover.

Q. Did Mr. Collins recommend a different level of class revenue responsibility for each rate class compared to LAC and MGE's class revenue responsibility, even though Mr. Collins used the Companies' class cost of service studies and revenue requirements?

A. Yes. Below are two tables showing Staff's, MIEC's, and the Company's proposed class revenues for each rate class for LAC and MGE respectively.[5]

LAC Rate Classes	Staff Proposed Ending Revenues	MIEC Proposed Ending Revenues	LAC Proposed Ending Revenues
Residential	$269,052,131	$311,655,828	$308,836,261
General Service	$53,246,058	$54,910,058	$56,190,469
Large Volume	$1,896,425	$1,695,382	$1,903,212
LV Transport	$13,338,541	$12,929,517	$14,061,854
Interruptible Sales	$812,599	$781,343	$964,914
Total	$338,345,754	$381,972,128	$381,956,710

MGE Rate Classes	Staff Proposed Ending Revenues	MIEC Proposed Ending Revenues	MGE Proposed Ending Revenues
Residential	$163,167,354	$197,931,579	$198,607,751
General Service	$28,882,189	$34,996,910	$34,658,779
Large Volume	$16,281,045	$15,615,889	$15,278,027
Total	$208,330,588	$248,544,378	$248,544,557

Staff's class revenue responsibility proposal recommends no increase in base rates for the Large Volume, LV Transport, and Interruptible Sales classes, so the revenues reflected in the above table are the revenues recovered from each class at current tariffed rates. As shown

[5] For simplicity of comparison I added the ending revenues proposed by MIEC and the Company for the SGS and LGS classes together to make the comparison to Staff's recommended General Service class. This table does not include specific breakout of the Vehicular Fuel, General L.P. Service, and Unmetered Lighting classes, which results in small differences in MIEC and LAC's total class revenue responsibility.

in the table, MIEC is recommending revenues below current rate levels for the Large Volume, LV Transport and Interruptible sales classes.

Although all three class revenue responsibility proposals are different, it seems that the majority of the difference in the class revenue responsibility proposals is due to the difference between Staff's and the Companies' proposed revenue requirements rather than a difference between the allocation of costs between classes.

RESPONSE REGARDING LAC AND MGE'S LOW INCOME ENERGY AFFORDABILITY PROGRAM

Q. What is the current LAC Low Income Energy Affordability Program?

A. LAC currently has two separate programs under the Low Income Energy Affordability Program. The first is called the "Winter Bill Payment Assistance Program," and it provides bill credits for participating customers in amounts that vary by month and by the customer's income eligibility as a percentage of the federal poverty level. As implied, the credit amounts vary by month to provide more funding during the winter heating season than during shoulder months and no credit is provided during the summer. Customers may have arrearages, and to the extent the bill credit exceeds the monthly due bill, the excess is applied to arrearages. The tariff also describes the manner of distribution of any grants participating customers may receive under the LIHEAP program.

The second program, the "Arrearage Repayment Program" provides matching funds for eligible customers making payments above current month usage to reduce accrued arrearages.

Q. What is the purpose of the revision the Company seeks in its suspended tariffs?

A. The Company is generally retaining the Arrearage Repayment Program for LAC, and expanding it to the MGE district. The Company seeks to change the "Winter Bill

Payment Assistance Program," into what they denote the "Fixed Charge Assistance Program," which Scott Weitzel asserts at page 9 of his direct testimony is "similar to the primary feature of the low-income program recently approved by the Commission for the Empire District Electric Company."

Q. Is the "Fixed Charge Assistance Program," similar to the Empire electric program?

A. No.

Q. What is the purpose of the Empire electric program?

A. The purpose of the Empire program is to study the ability of customers to avoid falling into arrearages leading to disconnection by subsidizing the fixed customer charge portion of the bill, while remaining entirely responsible for the usage-based charges. This encourages customers who are in danger of falling behind on bills to manage their usage, while reducing the overall financial burden of their electric bill.

Q. Does the proposed LAC/MGE tariff accomplish this purpose?

A. No. It is a mish-mash of the two programs, without retaining the significant features of either. Targeting customers who are already in arrearages with fixed monthly subsidies that exceed any proposed customer charge[6] absent a requirement that the customer be on a levelized payment plan not only fails to keep customers from falling behind, but also fails to provide an incentive to manage customer usage. Finally, unlike the Empire program, the Spire request does not have a clear and defined study outcome.

Q. What is the funding level of the prosed LAC/MGE tariff?

[6] The tariff states a monthly credit of $30 shall be applied first to any fixed monthly charge and then second to any usage charge. In non-winter months it is possible for a customer to have zero usage and $30 exceeds any proposed customer charge causing a negative bill to occur.

A. LAC and MGE have proposed to spend approximately $600,000 annually for LAC ($300,000 for the Fixed Charge Assistance program and $300,000 for the Arrearage Repayment program) and $500,000 annually for MGE ($250,000 for the Fixed Charge Assistance program and $250,000 for the Arrearage Repayment program). Of the $1.1 million budgeted to the program at least 10% or $110,000 would be set aside annually to pay for the administrative costs.

Q. What is the current funding level of the LAC program?

A. LAC's current Low Income Energy Affordability Program is funded by an annual amount of $950,000 ($550,000 spent annually on LAC's Winter Bill Payment Assistance Program, $350,000 spent annually on LAC's Arrearage Repayment Program and $50,000 for administrative costs).

Q. Does proposed Fixed Charge Assistance Program define eligibility?

A. It does not appear to require any particular income level for eligibility. Per the tariff, customers just have to register with a Community Action Agency and apply for energy assistance funds in order to be eligible for the Fixed Charge Assistance Program.

Q. Does LAC's current Winter Bill Payment Assistance Program restrict eligibility?[7]

A. Yes. Customers with incomes ranging from 0% to 150% of the FPL are eligible for the winter bill assistance payment program, with customers whose income falls within 126% and 150% of the FPL receiving a higher monthly bill credit than customers whose income falls within 0% and 125% of the FPL.

Q. Are there other concerns with the proposed tariff?

[7] LAC's Winter Bill Payment Program is the equivalent of LAC/MGE's proposed Fixed Charge Assistance Program in LAC's current Low-Income Energy Affordability Program.

A. Yes. The proposed tariff, in Section 36.3., states that at least 10% of program funds be set aside annually for each operating unit to pay for the administrative costs, and in Section 36.1., it states that the compensation to the community action agencies "shall be no less 10% [sic]." However, at Section 36.4. it states that the FACP funding level shall be reduced by 10% for CAA support costs, and Section 36.6 states that the funding level for each district is "minus 10% for administrative costs not to exceed [sic]" without any mention of what the costs are not to exceed.

Q. If Spire's request is to devote 10% of program costs to administration is Staff concerned?

A. Yes, this amount is approximately double the current administrative costs, and no justification is provided for this increase in costs. In fact, Mr. Weitzel claims at page 9 of his direct testimony that the purpose of the revision is to make the program easier to administer, which is counterintuitive to doubling the administrative costs.

Q. Is it clear that Spire's request is to devote 10% of program costs to administration?

A. No. At a minimum the funding related portions of the tariff are replete with typographical errors, but it appears the tariff is self-contradictory on whether the 10% specifies as a floor or a ceiling, and whether any hard cap exists on the Arrearage Repayment Program.

Q. Are there additional concerns with the tariff language?

A. Yes. A presumable typo in Section 36.6. states that the Arrearage Repayment Program for LAC shall be funded at the level of $300, minus administrative costs. Paragraph 36.14 retains language referring to a stipulation that is now vague due to modifications made to Section 36.1. Section 36.14 continues to refer to the "Winter Bill Payment Assistance" program, rather than the "Fixed Charge Assistance Program" as Section 36.4. and 36.5. are now denoted.

Q. Does Staff recommend adopting the LAC/MGE tariff design as proposed?

A. No. Staff recommends either retaining the existing LAC tariff with modifications to extend the program to MGE, or fully adopting the Empire approach for both LAC and MGE, including requirements for the impact of the program on reducing customers who fall into arrearages and limiting the amount of funding to be spent on administrative costs. Staff is not opposed to adjusting the level of program costs allowed for administrative expense, but cannot recommend adoption of an uncapped number, or of a doubling of current expense levels without any justification having been provided.

<u>RESPONSE TO MGE AND LAC REGARDING MISECLLANEOUS TARIFF CHANGES</u>

Q. Do you have concerns regarding MGE's and LAC's revised tariff sheets filed in this case?

A. Yes. Staff's concerns regarding MGE and LAC's revised tariff sheets include, but are not limited to:

1. LAC's and MGE's revised Rules and Regulations Tariff Sheets filed in this case inaccurately cancel currently effective tariffs.

2. MGE and LAC do not account for Laclede Gas Company's recent name change to Spire Missouri.

3. MGE's recommendation to remove the Intrastate Transportation Service Tariff Sheet.

Q. How did LAC's and MGE's proposed tariff sheets inaccurately cancel currently effective tariffs?

A. MGE proposed to cancel all currently effective Rules and Regulations Tariff Sheets for P.S.C. MO. No. 6 Consolidated, R1- R93 and replace them with P.S.C. MO. No. 6 Consolidated, Original R1-61.[8] However, MGE's currently effective Rules and Regulations Tariff Sheets are not labelled P.S.C. MO. No. 6 Consolidated and instead are labelled P.S.C MO. No. 1 or just P.S.C. MO. No. 6 (not Consolidated). Further, the heading used to establish the revised Original sheets, for both MGE and LAC, attempts to cancel a block of tariff sheets rather than the single sheet that the proposed revised sheet would be replacing. As an example, a copy of the heading MGE used on Tariff Sheet No. R-1 of MGE's Rules and Regulations is below.

P.S.C. MO. No. 6 Consolidated, Original Sheet No. R-1 CANCELLING
All Previous P.S.C. Mo. No. 6 Consolidated Sheet Nos. R-1 to R-93

Additionally, as shown below, LAC's revised tariff sheets also attempt to create a new Original sheet in a current tariff book where a previous sheet, including Original sheets, already exists.

P.S.C. MO. No. 5 Consolidated, Original Sheet No. R 1 CANCELLING
All Previous P.S.C. Mo. No. 5 Consolidated Sheet Nos. R-1 to R-56

As discussed above, P.S.C. MO. No. 6 Consolidated does not exist within MGE's currently effective tariffs. Furthermore, some of MGE's currently effective tariff sheets are labelled P.S.C MO. No. 1. A copy of the heading used on Tariff Sheet No. R-1 of MGE's currently effective Rules and Regulations is below.

	P.S.C. MO. No. 1	First Revised	SHEET No. R-1
Canceling	P.S.C. MO. No. 1	Original	SHEET No. R-1

Q. In addition to the numbering, do you have other concerns?

[8] Tariff Revision filed on 4/11/2017

A. Yes. On August 16th the Commission approved a name change from referring to LAC as Laclede Gas Company and MGE as Laclede Gas Company d/b/a Missouri Gas Energy, to referring to both divisions as Spire Missouri Inc. d/b/a Spire ("Spire Missouri"). However, the revised tariff sheets filed in Case Nos. GR-2017-0215 and GR-2017-0216, as well as the currently effective tariffs that the Company did not seek to revise, still reflect the names Laclede Gas Company and Laclede Gas Company d/b/a Missouri Gas Energy.[9]

Q. What is Staff's recommendation to address these problems regarding MGE's and LAC's revised tariffs?

A. Given the recent name change and the Company's interest in an identical set of Rules and Regulations for MGE and LAC, Staff recommends that LAC and MGE should respectively file two new rate tariff books and two new rules and regulation books, all with appropriate names, sheet numbers and service areas in Case Nos. GR-2017-0215 and GR-2017-0216. The new rate books provide the opportunity to eliminate blank pages reserved for future use and provide clarity to customers when trying to find tariffs for the division that serves them.

Q. What is your concern regarding MGE's recommendation to remove the Intrastate Transportation Service tariff?

A. MGE currently serves a customer on this tariff that cannot be served on any other rate tariff.

Q. Have you discussed your concern with MGE?

A. Yes; according to the Company's response to DR 0315, the Company has agreed to withdraw its proposal to eliminate the tariff sheet.

[9] Some MGE tariffs also still refer to the prior Missouri Gas Energy a Division of Southern Union Company.

CORRECTION TO STAFF'S CLASS COST OF SERVICE STUDY FOR LAC

Q. Have you made any corrections to your direct filed class cost of service study for LAC?

A. Yes. In reviewing my allocation of storage costs for transport customers, I found that I had failed to allocate storage expense to basic transportation customers. I have corrected this allocator to match the allocator used for storage investment.

Q. Does this conclude your rebuttal testimony?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Request to Increase Its Revenues for Gas Service	)))	Case No. GR-2017-0215
In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenues for Gas Service	)))	Case No. GR-2017-0216

AFFIDAVIT OF ROBIN KLIETHERMES

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ROBIN KLIETHERMES and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Rebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

ROBIN KLIETHERMES

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 19th day of October, 2017.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070

D. Suzie Mankin
Notary Public

Robin Kliethermes
Case Nos. GR-2017-0215 and GR-2017-0216

		November -April		May - October			
		Winter	**Winter**	**Summer**	**Summer**		
Laclede Rate Classes	Customer Charge	1st block energy charge	2nd block energy charge	1st block energy charge	2nd block energy charge		
Residential Current	$ 19.50	$ 0.91686	$ -	$ 0.31290	$ 0.15297	Block 1 = 30 therms	
Residential Incline	$ 26.00	$ 0.14704	$ 0.17824	$ 0.14704	$ 0.17824	Block 1 = 50 therms	
Residential Staff Proposed	$ 26.00	$ 0.16338	$ 0.16338	$ 0.16338	$ 0.16338		
Residential Company Proposed	$ 17.00	$ 0.37962	$ 0.37962	$ 0.37962	$ 0.37962		

Therm Use	**Monthly Average**	**Inclining Alternative**	**Percent Diff.**	**Staff Proposed**	**Percent Diff.**	**Company Proposed**	**Percent Diff.**
0	$ 19.50	$ 26.00	33%	$ 26.00	33%	$ 17.00	-13%
10	$ 25.65	$ 27.47	7%	$ 27.63	8%	$ 20.80	-19%
20	$ 31.80	$ 28.94	-9%	$ 29.27	-8%	$ 24.59	-23%
25	$ 34.87	$ 29.68	-15%	$ 30.08	-14%	$ 26.49	-24%
30	$ 37.95	$ 30.41	-20%	$ 30.90	-19%	$ 28.39	-25%
35	$ 38.33	$ 31.15	-19%	$ 31.72	-17%	$ 30.29	-21%
40	$ 38.71	$ 31.88	-18%	$ 32.54	-16%	$ 32.18	-17%
45	$ 39.09	$ 32.62	-17%	$ 33.35	-15%	$ 34.08	-13%
50	$ 39.48	$ 33.35	-16%	$ 34.17	-13%	$ 35.98	-9%
55	$ 39.86	$ 34.24	-14%	$ 34.99	-12%	$ 37.88	-5%
60	$ 40.24	$ 35.13	-13%	$ 35.80	-11%	$ 39.78	-1%
65	$ 40.62	$ 36.03	-11%	$ 36.62	-10%	$ 41.68	3%
70	$ 41.01	$ 36.92	-10%	$ 37.44	-9%	$ 43.57	6%
75	$ 41.39	$ 37.81	-9%	$ 38.25	-8%	$ 45.47	10%
80	$ 41.77	$ 38.70	-7%	$ 39.07	-6%	$ 47.37	13%
85	$ 42.15	$ 39.59	-6%	$ 39.89	-5%	$ 49.27	17%
90	$ 42.54	$ 40.48	-5%	$ 40.70	-4%	$ 51.17	20%
95	$ 42.92	$ 41.37	-4%	$ 41.52	-3%	$ 53.06	24%
100	$ 43.30	$ 42.26	-2%	$ 42.34	-2%	$ 54.96	27%
125	$ 45.21	$ 46.72	3%	$ 46.42	3%	$ 64.45	43%
150	$ 47.12	$ 51.18	9%	$ 50.51	7%	$ 73.94	57%
175	$ 49.04	$ 55.63	13%	$ 54.59	11%	$ 83.43	70%
200	$ 50.95	$ 60.09	18%	$ 58.68	15%	$ 92.92	82%
225	$ 52.86	$ 64.54	22%	$ 62.76	19%	$ 102.41	94%
250	$ 54.77	$ 69.00	26%	$ 66.85	22%	$ 111.91	104%
275	$ 56.69	$ 73.46	30%	$ 70.93	25%	$ 121.40	114%
300	$ 58.60	$ 77.91	33%	$ 75.01	28%	$ 130.89	123%
325	$ 60.51	$ 82.37	36%	$ 79.10	31%	$ 140.38	132%
350	$ 62.42	$ 86.82	39%	$ 83.18	33%	$ 149.87	140%
375	$ 64.33	$ 91.28	42%	$ 87.27	36%	$ 159.36	148%
400	$ 66.25	$ 95.74	45%	$ 91.35	38%	$ 168.85	155%
425	$ 68.16	$ 100.19	47%	$ 95.44	40%	$ 178.34	162%
450	$ 70.07	$ 104.65	49%	$ 99.52	42%	$ 187.83	168%
475	$ 71.98	$ 109.11	52%	$ 103.61	44%	$ 197.32	174%