

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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JAN 25 2002

Missouri Public
Service Commission

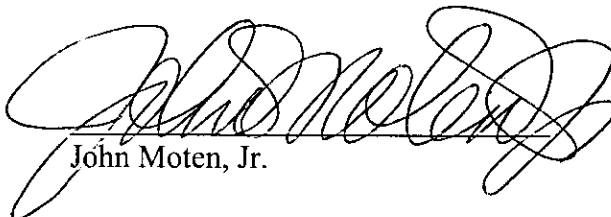
In the Matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate) Case No. GR-2002-356
Schedules.)

AFFIDAVIT

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

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

1. My name is John Moten, Jr. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Senior Vice President – Operations & Marketing of Laclede Gas Company.
2. Attached hereto and made a part hereof for all purposes is my direct testimony, consisting of pages 1 to 17, inclusive.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.


John Moten, Jr.

Subscribed and sworn to before me this 24th day of January, 2002.


Patricia P. Hicks

PATRICIA P. HICKS
Notary Public — Notary Seal
STATE OF MISSOURI
City of St. Louis
My Commission Expires: June 27, 2002

Exhibit No.:

Issue:

Customer Assistance/
Community Improvement
Efforts/Security

Witness:

John Moten, Jr.

Type of Exhibit:

Direct Testimony

Sponsoring Party:

Laclede Gas Company

Case No.:

GR-2002-356

LACLEDE GAS COMPANY

GR-2002-356

DIRECT TESTIMONY

OF

JOHN MOTEN, JR.

DIRECT TESTIMONY OF JOHN MOTEN, JR.

1
2 Q. Please state your name and business address.

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

5 Q. What is your present business position?

6 A. I presently serve as Senior Vice President-Operations and Marketing for Laclede Gas
7 Company.

8 Q. How long have you held your position?

9 A. I was elected to my present position effective July 1, 2001.

10 Q. Would you briefly describe your duties as Senior Vice President-Operations and
11 Marketing?

12 A. In my present position, I have overall management responsibility for the Company's
13 Operations, Marketing, Information Systems and Corporate Safety divisions and the
14 various departments that support them. In addition, I also oversee the Company's
15 legislative efforts to obtain adequate funding, governmental and otherwise, for energy
16 assistance for low-income households within the Laclede service territory and across the
17 State as well as its implementation of certain customer assistance programs. These
18 programs include:

- 19 • The Laclede Employee Volunteer Weatherization Program (WeatherWise) for
20 elderly and handicapped low-income households.
- 21 • The Laclede EnergySmart Programs for low-income energy assistance recipient
22 households who are without natural gas service at the start of winter (Customer

1 Assistance Program); and informational workshops at social service agency sites
2 (Customer Education Program).

- 3 • Administrative support for the Dollar-Help Program.
- 4 • Involvement in non-profit organizations established to help the community.
- 5 • Employee Volunteer programs to assist customers and their families such as
6 fundraising for Dollar-Help, Arts & Education Council and United Way.

7 Q. What is your educational background?

8 A. I received a Bachelor of Science Degree in Chemistry from Morehouse College in
9 Atlanta, Georgia, in 1962.

10 Q. Will you describe your work experience with Laclede?

11 A. I joined Laclede in 1962 as an Assistant Chemist and was promoted to Chief Chemist in
12 1967. I then became Laboratory Superintendent in 1972 and Director of Laboratory
13 Services in 1973. In 1980 I was made Director of Conservation Services and then
14 Director of Community Affairs/Conservation in 1986. I became Vice President,
15 Community Relations in 1994. As stated above, I assumed my present position on July 1,
16 2001.

17 Q. What is the purpose of your direct testimony?

18 A. The purpose of my testimony is three fold. First, I want to briefly outline the operational
19 measures the Company has taken in terms of system security following the aftermath of
20 the terrorist attack of September 11, 2001. Second, I will describe Laclede's efforts, both
21 nationally and locally to obtain funding and other forms of energy assistance for many of
22 the St. Louis areas' poorest and most vulnerable households, and the continuing need for
23 efforts to educate and assist our customers, particularly in the area of energy assistance.

1 Third, I will outline for the Commission some of Laclede's community involvement and
2 efforts to improve the economic and social climate within the St. Louis region.

3 System Security

4 Q. Has the Company implemented new security measures in response to the events of
5 September 11, 2001?

6 A. Yes. Since the terrorist attack on September 11, 2001, there has been a special focus by
7 both governmental agencies, including this Commission, as well as private firms on
8 reevaluating existing security procedures, practices and safeguards and, where warranted
9 and necessary, implementing new ones. Given the nature of its facilities and operations,
10 Laclede has taken this task very seriously and has implemented a number of new
11 measures that are designed to enhance the security of its system in the wake of this event.

12 Q. Can you describe what those measures are.

13 A. Because such security measures are, by their very nature, extremely sensitive I cannot
14 disclose them in any specific detail. Suffice it to say that the Company has, among other
15 things, installed new forms of electronic surveillance for certain critical facilities, erected
16 barriers to protect others, and developed an enhanced electronic system to better control
17 access to our operational facilities. We have also revised our emergency plan, enhanced
18 our lines of communication with local law enforcement officials, and made an ongoing
19 evaluation of security needs a very high priority. Additionally, company personnel are
20 participating in security forums and task forces designed to disseminate information and
21 facilitate coordination among key agencies in the event of a terrorist emergency.

22 Q. Have these efforts resulted in additional costs to the Company?

1 A. Yes they have. And while some of these costs are embedded in our rate case filing, I
2 would once again hesitate to identify the nature or magnitude of those costs given the
3 security concerns I previously discussed.

4 **Low-Income Energy Assistance**

5 Q. Turning to the second issue you wish to discuss, please describe the need for legislative
6 efforts related to low-income energy assistance.

7 A. The federal government has recognized that "Energy costs account for a sizable portion
8 of living expenses for poor families. To help meet rising costs, the Low Income Home
9 Energy Assistance Program (LIHEAP) was established in 1980."¹ The "portion of living
10 expenses" cited above is generally referred to as "energy burden" i.e., the ratio of
11 household energy costs to household income, or the percent of household income spent
12 for home energy.

13 In a 1995 U. S. Department of Health and Human Services Report to Congress, it
14 was reported that the energy burden nationally for low-income households was 16%. The
15 maximum affordable burden was considered to be 10%. The report listed the annual
16 household energy cost (gas and electric) for low-income households to be \$1,294 per year
17 for households with incomes of \$8,000 per year or less. The study assumes that even if
18 the household pays 10% of its income for energy, or \$800 per year, the household would
19 have an "affordability gap" of \$494 per year (\$1,294 - \$800). When we consider the
20 average LIHEAP grant is about \$200, you can see that LIHEAP does not cover this gap
21 but does provide a sorely needed supplement to help needy families. It is because of this
22 historically persistent affordability gap that efforts such as support for Utilicare and

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

1 Dollar-Help, which will be discussed later in my testimony, as well as other funding
2 sources for low-income energy assistance, are so important. These efforts are needed
3 even more when the impacts of last year's increased wholesale natural gas costs are
4 considered.

5 Q. What is the average income and dollar energy burden for Missouri LIHEAP recipient
6 households?

7 A. The average LIHEAP recipient household in FY 2001, the most recent year available,
8 had an estimated average annual income of \$6,972 and household size of 2.6. Assuming
9 an energy burden of 16%, these households spent on average \$1,115 on home energy. By
10 comparison, a middle-income family earning \$40,000 annually would have to spend
11 \$6,400 per year on home energy, if it had the same 16% energy burden as the average
12 LIHEAP recipient. It should be noted that under current LIHEAP eligibility guidelines in
13 Missouri, a family of 3 is eligible for assistance with a household income of up to about
14 \$16,824 annually.

15 Q. How many Laclede customers receive LIHEAP, and about how many are eligible to
16 receive assistance?

17 A. In FY 2000, one of the warmest winters on record, 14,196 Laclede customers received
18 LIHEAP. Of these, 2,552 households received additional assistance in the form of
19 Dollar-Help, Dollar More, LIHEAP, etc. The amount of assistance received by Laclede's
20 customers from LIHEAP, ECIP, Dollar-Help and Dollar More totaled about \$3,957,296
21 in FY 2000. It is estimated that about 15% of the households eligible for LIHEAP
22 receive assistance. Therefore, the eligible LIHEAP population in the Laclede service area
23 is estimated to be at least 96,640.

1 Q. How much LIHEAP funding did Missouri receive in FY 2001?

2 A. LIHEAP was funded at \$2.2 billion for FY 2001, at the federal level, of which Missouri
3 received about \$51.4 million. This amount is higher than previous years due to increased
4 emergency funds in recognition of higher energy costs and cold November and December
5 weather in 2000.

6 Q. What is the status of LIHEAP funding for FY 2002?

7 A. The FY 2002 federal Labor-HHS appropriation signed by the President on January 10,
8 2002 contains \$1.7 billion in regular LIHEAP funds and \$300 million in emergency
9 funds for LIHEAP.

10 Q. How much can Missouri expect to receive in LIHEAP funds this winter, FY 2002?

11 A. Based on the above FY 2002 federal appropriations, I would estimate Missouri could
12 receive up to \$36 million, about \$30 million in regular funds plus up to an additional \$6
13 million in emergency funds. The timing and amount of emergency funds is at the
14 discretion of the President.

15 Q. What has Laclede's role been with regard to support for LIHEAP funding?

16 A. Laclede has, for many years, assumed a significant leadership role in advocating LIHEAP
17 funding at the federal level. I have personally worked for fourteen years directly with the
18 National Fuel Funds Network (NFFN), the National Low Income Energy Consortium
19 (NLIEC), the LIHEAP Coalition and National Consumer Law Center (NCLC) in support
20 of LIHEAP funding. Additionally, I have worked with industry associations such as the
21 American Gas Association and Associated Gas Distribution Companies (AGD) in
22 support of LIHEAP. Laclede personnel, working with Sister Patricia Kelley, helped
23 found NFFN in 1984, and have been a part of the organization for the last seventeen

1 years, including various leadership roles. NFFN, with assistance from Laclede, has
2 annually submitted oral and written testimony in support of LIHEAP funding before
3 relevant Congressional committees for the last fifteen years.

4 Laclede has been widely recognized and praised for its efforts in support of
5 LIHEAP as exemplified by the 1994 NFFN Sister Patricia Kelley Achievement Award
6 and the Human Development Corporation's 1990 Humanitarian Award. In addition, I
7 have personally made presentations on energy assistance issues and needs before almost
8 all of the above organizations' national conferences, as well as testified before
9 Congressional and Missouri House and Senate committees. In March 2000, I presented
10 the American Gas Association's oral testimony in support of LIHEAP before the U. S.
11 House Labor-HHS and Education Appropriations Subcommittee.

12 Q. Are there studies which demonstrate the value of energy assistance to society as a whole?

13 A. Yes, there are, in my opinion, several credible, relevant studies including the ones
14 discussed below.

- 15 • A 1991 Philadelphia study found that "utility terminations (due to unaffordability)
16 are clearly a precipitating factor in housing abandonment."²
- 17 • A 1992 Boston City Hospital study, which supports the "Eat or Heat" dilemma,
18 faced by low-income households. The number of clinically underweight children
19 brought to the hospital's emergency room increased by 30% in the period
20 immediately following the coldest months of the year. Once chronic disease was

² An examination of the relationship between Utility Terminations, Housing Abandonments and Homelessness.

1 ruled out, researchers theorized the weight loss must be due to the cold and the
2 economic burden imposed by heating costs.³

- 3 • A 1995 study, conducted in Missouri, found a relationship between household
4 energy costs, family mobility and poor educational achievement by children in
5 rural, low-income Missouri households.⁴
- 6 • Roger Colton in a 1997 paper presented a list of “benefits of energy assistance to
7 the community at large in addition to low-income households and the companies
8 that supply those households with energy.” Colton concluded that “energy
9 assistance does provide benefits to society as a whole.”⁵

10 All of these studies demonstrate that there are other societal costs incurred when
11 household energy is not affordable and inadequate assistance funding exists. Therefore,
12 efforts to assist poor households benefit all of Laclede’s ratepayers.

13 Q. Please describe Laclede’s legislative efforts in support of energy assistance at the state
14 level.

15 A. For more than thirteen years, the State of Missouri has relied almost exclusively on
16 federal funds from LIHEAP to assist its low-income citizens, including many elderly and
17 disabled. However, core LIHEAP funding had been cut over the last ten years, primarily
18 due to cuts in the federal budget. The Committee to Keep Missourians Warm, of which
19 Laclede is an active founding member, along with the assistance of other parties, worked
20 for the introduction of Senate Bill 263, Missouri’s Utilicare bill. This bill was passed
21 during the 1997 session of the General Assembly. This bill expands the eligibility for

³ Seasonal Change in Weight for Age in a Pediatric Emergency Room: A Heat or Eat Effect? Boston City Hospital Study of the Effects of Cold Weather and High Energy Costs on the Health of Low-Income Children, September, 1992.

⁴ A Road Oft Taken: Unaffordable Home Energy Bills, Forced Mobility and Childhood Education in Missouri by Roger Colton.

1 assistance to needy households, which, although eligible for LIHEAP, would not
2 otherwise receive assistance due to inadequate federal funding. Many members of the
3 Committee to Keep Missourian's Warm and others have stated that Laclede's leadership
4 efforts was a major factor in the passage of the Utilicare bill.

5 Last winter was an excellent example of the need for such funding efforts by the
6 states. The dramatic increase in wholesale natural gas costs and extremely cold weather
7 during November and December 2000 caused the states of Illinois and Colorado to
8 provide emergency energy assistance. In Missouri, Laclede is actively involved with the
9 Committee to Keep Missourians Warm in efforts to obtain Utilicare funding for FY 2003.
10 In addition, local governments in Missouri, including the City of St. Louis, appropriated
11 energy assistance funds for needy resident households in FY 2001.

12 Q. What role do you believe the Commission should play with regard to the Utilicare bill?

13 A. I believe the Commission has been and can continue to be very helpful by supporting
14 legislation to fund Utilicare. There was an emergency appropriation of \$5 million for this
15 past winter, FY 2001, in Utilicare Funds. Unfortunately, the majority of that
16 appropriation was left unspent because of an interpretation of the requirements of the
17 Utilicare law. The need remains great and support for an appropriation for FY 2003 as
18 well as any necessary revisions to the Utilicare law will be sorely needed because many
19 low-income households still have large arrearages from the 2001-2002 winter and are
20 experiencing difficulty in paying their bills. Help from all interested parties is vitally
21 needed to make sure a funding bill is passed. The Commission can also be helpful by
22 contacting Missouri's Congressional delegation to express support for increased federal

⁵ Non-Energy Benefits From Low-Income Fuel Assistance, Roger Colton, 1997.

1 LIHEAP funding as was done by Chairman Simmons last fall, and by approving
2 incentive programs that provide other, non-traditional sources of low-income energy
3 assistance. As stated above, efforts to get energy assistance for low-income households
4 benefit all ratepayers.

5 Q. Are there other factors that are contributing to customer arrearages and the need for low-
6 income energy assistance?

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

12 Q. If many of these households have below poverty incomes, why aren't more of them
13 receiving LIHEAP and other forms of assistance?

14 A. Social Service professionals feel these persons either self disqualify themselves thinking
15 that if they are no longer on welfare, as a result of welfare reform, they are no longer
16 eligible for any other assistance and others as a matter of pride refuse to seek assistance.
17 It is for these, and other reasons, that the Company voluntarily initiated the EnergySmart
18 programs discussed later in my testimony.

19 Q. What non-government fundraising actions has the Company taken in recent years?

20 A. The Company has, for the last several years, intensified its efforts to assist private energy
21 assistance organizations in St. Louis, to solicit small contributions from the public, and
22 raise contributions in cooperation with corporate partners through programs such as
23 Dollar-Help, which Laclede helped co-found. These efforts have included: A new bill

1 check-off option for donations for Dollar-Help which has increased donations over 45%
2 since 1999 and the number of donors over 100%. Cooperative fundraising programs
3 have also been initiated by Dollar-Help such as:

- 4 • Public Service Announcements using members of the St. Louis Rams to
5 encourage donations;
- 6 • Dollar-Help fundraising at Rams pre-game tailgate party;
- 7 • The "Just A Dollar Helps" fund-raiser initiated in 1997 in cooperation with
8 WaterWays Car Wash;
- 9 • The production of a series of Public Service Announcements for broadcast on
10 KMOX Radio and other partner stations;
- 11 • Live on-air interviews with Dollar-Help board members to encourage
12 contributions;
- 13 • The establishment of religious fund-raisers in cooperation with major Protestant,
14 Jewish and Catholic leaders at their churches and Synagogues.

15 The number and variety of funding partners cited above demonstrates, in my opinion, the
16 community's recognition of the need for and value of Dollar-Help.

17 Q. Does the Company itself provide funding and administrative support for Dollar-Help?

18 A. Yes. The Company has for many years utilized corporate contributions to help needy
19 families with their energy bills. The Company also provides all of the needed
20 administrative support for Dollar-Help to assure that all funds donated are used
21 exclusively to assist needy, low-income households. In addition, the Company has
22 retained the services of an outside public relations firm to coordinate fund raising efforts.

23 Q. How much money has Dollar-Help raised?

1 A. Prior to the bill check-off program in December 1999, Dollar-Help raised about \$550,000
2 per year from all sources. After the implementation of the bill check-off and support
3 from our partners such as KMOX and the Rams, public contributions are currently being
4 received at an annualized rate of \$800,000 and increasing. Since the Program's inception
5 to date, Dollar-Help has raised over \$9 million. The Program assisted about 2,400
6 families this past year. In total, Dollar-Help has assisted over 40,000 needy families
7 since its inception.

8 Q. What is the significance of the Dollar-Help funds raised?

9 A. The \$9 million raised by Dollar-Help since its inception is nearly three times the amount
10 of money expended by the State for all of Missouri over the same period for energy
11 assistance. For example, despite the earlier warm winters, the amount of assistance
12 disbursed to recipients of Dollar-Help funds remained almost constant until last winter.
13 Last winter's wholesale price increases and colder weather, resulted in 46% increase in
14 disbursements. In response to the higher wholesale prices Dollar-Help increased the
15 maximum standard grant from \$300 to \$400. Households with medical or other special
16 emergencies are eligible for grants of up to \$600. As shown earlier, the need is far
17 greater than those who receive assistance.

18 Q. Does Dollar-Help assist only Laclede Gas Company customers or natural gas users?

19 A. No. Dollar-Help is designed to assist qualified, needy, low-income households in the
20 Laclede service territory regardless of the type of fuel used for home heating. The fuel
21 supplies used by recipients of Dollar-Help include electricity, propane, wood, and oil as
22 well as natural gas. The decision as to who receives Dollar-Help assistance is determined
23 independently and objectively by local social service agencies.

1 Q. What other energy assistance programs has the Company initiated or participated in
2 which assist low-income customers?

3 A. Laclede has voluntarily initiated several programs to assist low-income customers such as
4 the EnergySmart Programs which include the Customer Assistance Program (CAP) and
5 Customer Education Program (CEP), as well as the WeatherWise Program. Both
6 programs, Energy Smart and WeatherWise, have won industry awards or recognition for
7 their design and service delivery.

8 Q. Please briefly describe the EnergySmart Programs.

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

20 With regard to customer education, Laclede's Community Services Manager, as
21 well as other employees, conduct workshops at various social service agency sites for
22 low-income customers. At these workshops, attendees are provided with information on
23 how they can implement various low or no-cost weatherization energy conservation

1 measures to reduce their energy usage. Workshop participants are also advised that they
2 can contact the Company when they have problems paying their bills and are encouraged
3 to do so. Additionally, during the workshops, Laclede employees working with host
4 social service agencies will attempt to obtain assistance for participants whenever
5 possible or at least initiate the assistance process.

6 Q. Will you briefly describe the WeatherWise Program?

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

14 Q. What results have been obtained as a result of the EnergySmart and WeatherWise
15 Programs?

16 A. For the 2000-01 winter, CAP provided information to 3,247 households and obtained
17 assistance funds totaling \$94,309.03. The customer education workshops beginning
18 February 1996 to date have assisted over 1,122 households and obtained assistance
19 totaling \$476,917. As a result of the WeatherWise Program more than 600 households
20 have been weatherized over the last six years. It should be noted that all of the above
21 programs were conceived, developed and implemented voluntarily by Laclede. We are
22 not aware of a similar package of programs being implemented by any other natural gas
23 utility in the State.

1 Q. Is Laclede involved with other organizations that assist low-income persons in the energy
2 assistance and information area?

3 A. Laclede is a supporter of Energycare, a not-for-profit agency established by the late Sister
4 Patricia Kelley to help low-income households locate needed assistance as well as
5 provide energy education and assistance services. Laclede is also a member of Operation
6 Weather Survival (OWS). OWS' membership consists of representatives of local
7 government, utilities, not-for-profit agencies and others. OWS was formed to develop a
8 comprehensive network of energy experts to disseminate vital information in weather
9 emergencies to avoid tragedies. OWS was asked to assist the City of Chicago in
10 developing a similar program in the aftermath of the 1995 heat disaster and related
11 deaths. Laclede's Manager of Community Services chairs the OWS Cold Weather
12 Committee.

13 **Other Community Programs and Activities**

14 Q. Does Laclede offer energy service programs that benefit its non-low-income customers?

15 A. Yes. Since 1981 the Company has operated its Residential Insulation Financing
16 Program, which is available to all customers regardless of income. This Program
17 provides low-interest loans to qualified customers to insulate their homes with payment
18 terms of up to seven and one-half years. To date the Program has made 9,231 loans
19 totaling over \$11.181 million. In October, 1995, Laclede initiated the EnergyWise
20 Dealer Program which provides financing, through authorized HVAC contractors, for the
21 purchase and installation of energy-efficient natural gas heating and gas or electric
22 cooling equipment and other natural gas appliances. Since the programs inception a total
23 of 2,375 loans totaling \$9,835,539 have been made.

1 Q. Are Laclede and its employees engaged in other activities designed to benefit the region?

2 A. Laclede and its employees have a long history of both volunteer and funding support for
3 area not-for-profit organizations established to benefit the community at large. Examples
4 of such organizations include: United Way of Greater St. Louis, Arts & Education
5 Council, March of Dimes, Boy Scouts, YMCA, Junior Achievement, various local
6 college and university boards of trustees, Regional Commerce and Growth Association,
7 Children's Hospital, United Cerebral Palsy and many more. Additionally, the boards I
8 personally serve on include the following: The College Fund/UNCF, St. Louis 2004
9 (Chair/Co-Chair Committee), Junior Achievement, and Urban League. I recently (2001)
10 ended my terms on the board of Trustees at St. Louis University (12 years) and Salvation
11 Army (7 years).

12 Q. Can you provide examples of how Laclede's involvement in the above organizations
13 have benefited the community?

14 A. Laclede's former Chairman and CEO served as Chairman of the St. Louis Area's 1997
15 United Way Campaign. That Campaign raised over \$55 million to assist area agencies.
16 Laclede's employees, Union and Management, in support of this Campaign, contributed a
17 record \$290,000 to the Campaign which represented a 43% increase over the previous
18 year. In 2000, Laclede's employees contributed over \$49,170 to the Arts & Education
19 Council. Additionally, Laclede, in Fiscal 2001 raised over \$307,495 in employee
20 donations, excluding donations from the Laclede Charitable Trust. Of the \$641,695 in
21 total donations to the United Way, at least 20-25 percent was spent on what we classify
22 as human needs and services to organizations such as Arthritis Foundation, March of
23 Dimes, etc. These efforts represent just three examples of Laclede's community

1 leadership. Also, Laclede personnel have held leadership roles in most of the
2 organizations listed previously.

3 Q. Has the Company looked at ways to sustain employee community involvement and,
4 where possible, increase these efforts?

5 A. The Company will implement a special grant program later this year to recognize
6 employees who volunteer to assist key community charities the Company also supports.
7 Employees who participate can direct a small Company funded grant to a 501(C)(3)
8 charity of the employee's choice, provided the charity meets certain basic guidelines.
9 Through these efforts two local charities rather than one will benefit from our employee's
10 efforts.

11 Q. Do you have any summary comments on your testimony?

12 A. In my opinion, the above testimony clearly illustrates the Company's willingness to
13 exercise leadership in the community for the benefit of all its customers. Many of the
14 efforts were initiated by the Company because an important community need existed and
15 lacked leadership. I feel this testimony reflects the Company's willingness to meet these
16 challenges.

17 Q. Does this conclude your testimony?

18 A. Yes, it does.