



FILED

MAR 3 2017

Missouri Public Service Commission

Missouri Public Service Commission

(Date File Stamp)

Judge or Division:	Appellate Number:	2:55 p m DS
Appellant: The Office of the Public Counsel		Missouri Public Service Commission File Number: GO-2016-0332 and GO-2016-0333

vs.

Respondent:  
The Missouri Public Service Commission

Notice of Appeal

Notice is given that The Office of the Public Counsel appeals to the Missouri Court of Appeals  Western  Eastern  Southern District.

March 3, 2017  
Date Notice of Appeal  
(to be filled in by Secretary of Commission)

Filed Signature of Attorney or Appellant

The notice of appeal shall include the appellant's application for rehearing, a copy of the reconciliation required by subsection 4 of section 386.420, a concise statement of the issues being appealed, a full and complete list of the parties to the commission proceeding, and any other information specified by the rules of the court. The appellant(s) must file the original and (2) two copies and pay the docket fee required by court rule to the Secretary of the Commission within the time specified by law. Please make checks or money orders payable to the Missouri Court of Appeals. At the same time, Appellant must serve a copy of the Notice of Appeal on attorneys of record of all parties other than appellant(s), and on all parties not represented by an attorney.

CASE INFORMATION

Appellant Attorney / Bar Number: Marc Poston Mo Bar #45722		Respondent's Attorney / Bar Number: Shelley Brueggemann, MO Bar #52173	
Address: 200 Madison Street, Suite 650 PO Box 2230 Jefferson City, MO 65102		Address: 200 Madison Street, Suite 800 PO Box 360 Jefferson City, MO 65102	
Telephone: 573-751-4857	Fax: 573-751-5562	Telephone: 573-751-7393	Fax: 573-522-4016
Date of Commission Decision:  Issued: January 18, 2017 Effective: January 28, 2017	Date of Application for Rehearing Filed: 01/27/17	Date Application for Rehearing Ruled On:  February 1, 2017	

DIRECTIONS TO COMMISSION

A copy of the notice of appeal and the docket fee shall be mailed to the clerk of the appellate court. Unless otherwise ordered by the court of appeals, the commission shall, within thirty days of the filing of the notice of appeal, certify its record in the case to the court of appeals.

**Certificate of Service**

I certify that on March 3, 2017, I served a copy of the notice of appeal on the following parties, at the following address(es), by the method of service indicated.

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Rick Zucker – U.S. Mail Service  
Laclede Gas Company  
700 Market Street, 6th Floor  
St. Louis MO 63101

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Michael C Pendergast – U.S. Mail Service  
700 Market Street, 5th Floor  
St. Louis, MO 63101

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Kevin Thompson – Hand delivered  
Missouri Public Service Commission Staff  
P.O. Box 360  
Jefferson City, MO 65102

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Shelly Brueggemann - Hand delivered  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

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Appellant or Attorney for Appellant

**FORM 1. CIVIL CASE INFORMATION FORM SUPPLEMENT**

**MISSOURI COURT OF APPEALS  
WESTERN DISTRICT**

No. WD \_\_\_\_\_

Office of the Public Counsel,  
  
Petitioner/Appellant

Marc Poston, Bar Number 45722  
P.O. Box 2230  
Jefferson City, MO 65102

vs.

Missouri Public Service Commission  
  
Defendant/Respondent

Shelly Brueggemann, Bar Number 52173  
P.O. Box 360  
Jefferson City, MO 65102

Date Notice filed with the Public Service Commission March 3, 2017

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The Record on Appeal will consist of a Legal File Only. (This will include records filed pursuant to Rules 81.13 and 81.16)

**FACTUAL BACKGROUND: (Events Giving Rise to Cause of Action)**

Judicial Review of the Missouri Public Service Commission's January 18, 2017 Report and Order issued in Case No. GO-2016-0332, *In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Missouri Gas Energy Service Territory*; and Case No. GO-2016-0333, *In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory*.

**ISSUE:**

The Office of the Public Counsel challenges the lawfulness and reasonableness of the Public Service Commission's January 18, 2017 Report and Order authorizing Laclede Gas Company's two operating units (Laclede Gas and Missouri Gas Energy) to recover certain costs through their Infrastructure System Replacement Surcharges.

## **STATEMENT OF THE ISSUES**

(As required by § 386.510 RSMo)

Appellant Public Counsel will raise the following issue on appeal:

The Office of the Public Counsel challenges the lawfulness and reasonableness of the Public Service Commission's January 18, 2017 Report and Order authorizing Laclede Gas Company's two operating units (Laclede Gas and Missouri Gas Energy) to recover certain costs through their Infrastructure System Replacement Surcharges.

**LIST OF PARTIES TO THE COMMISSION PROCEEDING**

(As required by § 386.510 RSMo)

The following parties participated in Public Service Commission Case Numbers GO-2016-0332 and GO-2016-0333.

<p><b>Missouri Gas Energy (Laclede):</b></p> <p>Michael C Pendergast, MBN 31763          700 Market Street, 5th Floor          St. Louis, MO 63101          Phone: 314-288-8723          Fax: 314-421-1979  <a href="mailto:mcp2015law@icloud.com">mcp2015law@icloud.com</a></p> <p>Attorney for Missouri Gas Energy (Laclede)</p>	<p><b>Laclede Gas Company:</b></p> <p>Michael C Pendergast, MBN 31763          700 Market Street, 5th Floor          St. Louis, MO 63101          Phone: 314-288-8723          Fax: 314-421-1979  <a href="mailto:mcp2015law@icloud.com">mcp2015law@icloud.com</a></p> <p>Attorney for Laclede Gas Company</p>
<p><b>Missouri Gas Energy (Laclede):</b></p> <p>Rick E Zucker, MBN 49211          700 Market Street, 6th Floor          St. Louis, MO 63101          Phone: 314-342-0533          Fax: 314-421-1979  <a href="mailto:rick.zucker@spireenergy.com">rick.zucker@spireenergy.com</a></p> <p>Attorney for Missouri Gas Energy (Laclede)</p>	<p><b>Laclede Gas Company:</b></p> <p>Rick E Zucker, MBN 49211          700 Market Street, 6th Floor          St. Louis, MO 63101          Phone: 314-342-0533          Fax: 314-421-1979  <a href="mailto:rick.zucker@spireenergy.com">rick.zucker@spireenergy.com</a></p> <p>Attorney for Laclede Gas Company</p>
<p><b>Office of the Public Counsel:</b></p> <p>Marc D. Poston, MBN 45722          Chief Deputy Public Counsel          PO Box 2230          Jefferson City MO 65102          Telephone: (573) 751-5558          Fax: (573) 751-5562  <a href="mailto:marc.poston@ded.mo.gov">marc.poston@ded.mo.gov</a></p> <p>Attorney for the Office of the Public Counsel</p>	<p><b>Public Service Commission Staff:</b></p> <p>Kevin Thompson, MBN 36288          Missouri Public Service Commission          PO Box 360          Jefferson City MO 65102          Telephone: (573) 526-4887          Fax: (573) 751-9285  <a href="mailto:kevin.thompson@psc.mo.gov">kevin.thompson@psc.mo.gov</a></p> <p>Attorney for the Staff of the Missouri Public Service Commission.</p>

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

In the Matter of the Application of )  
Laclede Gas Company to Change its )  
Infrastructure System Replacement ) Case No. GO-2016-0332  
Surcharge in its Missouri Gas )  
Energy Service Territory )

In the Matter of the Application of )  
Laclede Gas Company to Change its )  
Infrastructure System Replacement ) Case No. GO-2016-0333  
Surcharge in its Laclede Gas Service )  
Territory )

**APPLICATION FOR REHEARING**

**COMES NOW** the Office of the Public Counsel (“OPC”) and for its Application for Rehearing of the Public Service Commission’s (“Commission”) January 18, 2017 Report and Order (“Order”), states as follows:

1. OPC seeks rehearing of the Order approving a rate increase through the Infrastructure System Replacement Surcharge (“ISRS”) for costs incurred replacing existing plastic mains and service lines that were operating safely and without impairment. The Order is unlawful in that it raises rates for costs that are not eligible under Section 393.1009(3) and Section 393.1009(5)(a) RSMo. The Order is also unlawful under Sections 393.130 RSMo in that it raises the rates paid by Laclede Gas Company’s (“Laclede”) residential and business customers in violation of the requirement that all rates be “just and reasonable and not more than allowed by law.” The Order is also unreasonable in that the findings

of fact on the plastic replacement issue are not supported by competent and substantial evidence, are arbitrary and capricious, are against the weight of the evidence, and constitute an abuse of the Commission's discretion.

2. The costs at issue in this application are the costs Laclede incurred due to a new strategy it developed just five years before it filed the petitions in this case.<sup>1</sup> Instead of replacing only the section of cast iron or steel pipe that was worn out or deteriorated, Laclede now replaces everything; often replacing "entire neighborhoods" including newly installed sections of plastic pipe that are not worn out or deteriorated.

3. Costs incurred replacing the disputed plastic pipe cannot lawfully be recovered through the ISRS because the plastic replacements are not "installed to comply with state or federal safety requirements as replacements for existing facilities that have worn out or in deteriorated condition." Section 393.1009(5)(a) RSMo. First, there is no state or federal safety requirement mandating the replacement of safe plastic pipe that is not worn out or deteriorated. The Commission's gas safety rules, 4 CSR 240-40.030, require Laclede to replace only the section of pipe that has become unsafe. Second, to be an eligible cost, it must be incurred replacing infrastructure that is "worn out or in deteriorated condition." The costs incurred replacing miles of plastic mains and service lines are ineligible because the replaced pipe was not worn out or in deteriorated condition. Accordingly, the Order unlawfully raises rates through the surcharge for costs that fail these two important qualifying criteria.

4. The Order also issues a number of unreasonable findings that are not supported by competent and substantial evidence, are contrary to the weight of the evidence, are arbitrary and capricious, and constitute an abuse of the Commission's discretion. The following findings are among the many factual findings that are unreasonable and should be reheard:

- *"...replacing the plastic pipe was an essential and indispensable step in completing the cast iron and steel main replacement programs."*
- *"...the plastic pipes that are being replaced were installed to fix an immediate problem and intended to remain until Laclede or MGE could schedule the entire main replacement."*
- *"The patches of plastic pipe varied from just a few feet to several hundred feet in length."*
- *"...the mains could not be replaced without replacing the service lines."*
- *"...once installed, these patches become part of the facility that is being replaced."*
- *"...the incidental replacement of plastic pipe connected to cast iron or steel, is not discrete and separate."*
- *"...when Laclede and MGE replace the deteriorated and worn out cast iron and steel, some plastic pipe is also incidentally replaced."*
- *"The relocation of the mains further necessitated the replacement of the service lines."*
- *"These lines were generally in new locations...and required that service lines connect to the main line and enter the customers' buildings in different locations than the old lines."*

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<sup>1</sup> Transcript, p. 65.



- *“...the more patches there are in a pipe, the more vulnerable that pipe is to leaks, which could cause a degradation of safety.”*
- *“...not allowing recovery of the portions of the main replacement projects that incidentally consist of plastic pipe would be a disincentive to the gas utilities to replace deteriorated pipelines containing portions of plastic.”*
- *“Pragmatically, that result would be troubling, but it would also be contrary to the legislative purpose of the ISRS statutes.”*
- *“...each project that replaced cast iron, steel, and plastic pipes contemporaneously were all part of a single segment of pipeline that was worn out or deteriorated.”*
- *“...because the plastic pipe in this case was an integral component of the worn out and deteriorated cast iron and steel pipe...the cost of replacing it can be recovered.”*
- *“By retiring the newer plastic patches, Laclede reduces the depreciation expenses related to that plastic pipe and customers receive a reduction in ISRS rates accordingly.”<sup>2</sup>*

The number of erroneous fact findings that are contrary to the weight of the evidence are significant and are in many respects contrary to 4 CSR 240-40.030. OPC requests rehearing regarding these findings that were central to the Commission’s reasons for allowing millions of dollars of costs incurred replacing safely-functioning plastic pipe to be included in these ISRS rate increases.

5. The Order also overlooked and ignored relevant and undisputed evidence in the case, including evidence proving the real reason for the change in replacement strategy is due to Laclede’s decision to increase the pressure on its system from low to intermediate pressure. Throughout the evidentiary record this

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<sup>2</sup> Order, pp. 11-12, 15-16, 19-21.

fact is proven repeatedly, including testimony by Laclede's own witness, yet the Order makes no mention of this reason for Laclede's new plastic replacement strategy. The Order's lack of recognition of this important fact, and other facts that disprove the Order's fact findings, lead directly to many of the erroneous factual findings identified above.

6. The Order also states that Laclede's new strategy is to relocate the main between the sidewalk and the street and concludes that "[t]he relocation of the mains further necessitated the replacement of the service lines."<sup>3</sup> However, facility relocations are not eligible for ISRS unless they are required by an entity with eminent domain authority. Section 393.1009(5)(c) RSMo. Replacing service lines incidental to these ineligible relocations are likewise not eligible under Section 393.1009(5) RSMo under the facts as presented on the record.

7. Lastly, the Order misstates OPC's argument and applies an incorrect legal standard for ISRS replacements when it states:

Public Counsel argues that Laclede and MGE have not shown that replacing plastic pipe was done "to comply with state or federal safety requirements" because the existing facilities were not "worn out or deteriorated." To determine eligibility, the Commission must determine if the existing facilities were worn out or deteriorated.<sup>4</sup>

The replacements of safely-functioning plastic pipe are ineligible because they are neither required by a state or federal safety requirement nor are they replacing infrastructure that is worn out or in deteriorated condition.

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<sup>3</sup> Order, p. 20.

<sup>4</sup> Order, pp. 19-20, emphasis added.

WHEREFORE, the Office of the Public Counsel respectfully requests rehearing of the Commission's January 18, 2017 Report and Order pursuant to the authority provided by Section 386.500 RSMo.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston  
Marc D. Poston (#45722)  
Chief Deputy Counsel  
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 27th day of January 2017.

/s/ Marc Poston

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 1<sup>st</sup> day of March, 2017.

In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Missouri Gas Energy Service Territory	)	
	)	<b><u>File No. GO-2016-0332</u></b>
	)	<b><u>Tariff No. YG-2017-0148</u></b>
	)	

In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory	)	
	)	<b><u>File No. GO-2016-0333</u></b>
	)	<b><u>Tariff No. YG-2017-0147</u></b>
	)	

**ORDER APPROVING RECONCILIATION**

Issue Date: March 1, 2017

Effective Date: March 1, 2017

The Commission issued its Order Denying Rehearing in this matter on February 1, 2017, effective that same date. The Commission sought input from the parties on a reconciliation by directing the Staff of the Missouri Public Service Commission (Staff) to file a reconciliation that complies with Section 386.420, RSMo. However, Staff responded that due to the nature of the issues decided and the lack of specific information in the record, it was unable to complete a reconciliation by the February 24, 2017 deadline.

A teleconference with the parties was held on February 24, 2017, to discuss what the Commission should include in the reconciliation. No agreement could be reached as to a specific quantification and, so, the parties were directed to each set out what they believed the Commission should include in the reconciliation. Those filings were received on February 27, 2017.

An Infrastructure System Replacement Surcharge (ISRS) proceeding before the Commission is limited in scope. It is statutorily designed to provide the companies requesting changes with an expedited procedure so that specific infrastructure replacement costs are included in rates quickly and subject to further review in a later rate case. The two issues decided by the Commission at hearing in this case were whether hydrostatic testing costs should be included in the ISRS and whether costs incurred replacing plastic pipe "patches" were appropriate expenses to be included in the ISRS.

The hydrostatic testing costs were denied inclusion in rates as non-ISRS related charges. This finding was not the subject of a rehearing request. However, the parties provided the value of the issue for purposes of the reconciliation. That issue is worth \$176,300, and is shown on Staff's Attachment A and Laclede Gas Company (Laclede) and Missouri Gas Energy's (MGE's) Appendix A, both of which are attached to this order.

The plastic pipe issue was not as easily quantified. During the course of the hearing, Laclede and MGE presented evidence of the value of the improvements and eligible ISRS-related changes as a whole. The value of the plastic pipe "patches" was not separated from the value of the other mains and service lines that were replaced. Therefore, the evidence provided by Laclede and MGE included only the total cost of replacing various segments of pipe, and did not break out which portion of the charge was specifically for replacing the plastic "patches."

The evidence also showed that in several instances more cast iron pipe was retired than new pipe was put in the ground. Thus, the parties disagreed as to how the value of the "patches" that were replaced would even be determined or if it could. Ultimately, it was unnecessary for the Commission to determine the value of the "patches" because the

Commission found that the "patches" were an integral part of the replacement of the cast iron and steel segments of the line and should be included in total as part of the ISRS. The Commission approved Laclede Gas and MGE's revised tariff sheets, which changed rates by including the entire replacement cost, less the value of the hydrostatic testing that was excluded by the Commission.

Subsection 386.420.4, RSMo, requires the Commission to "cause to be prepared . . . a detailed reconciliation containing the dollar value and rate or charge impact of each contested issue . . . and the customer class billing determinants used by the commission to calculate the rates and charges approved by the commission. . ." However, due to the nature of the issues in this case and the evidence presented, the value of the plastic pipe "patches" cannot be specifically determined.

Subsection 386.420.4, RSMo, also states that "In the event there is any dispute over the value of a particular issue . . . the commission shall also include in the reconciliation a quantification of the dollar value and rate charge impact associated with the dispute." Such is the case here. There is a dispute among the parties as to how the value of plastic pipe "patches" should be established.

Because of this dispute, the Commission has included each of the positions of the parties for its reconciliation and attaches those positions to this order. Staff's position is set out in its Attachment A and Attachment B for the Laclede and for the MGE operating divisions of Laclede Gas Company; Laclede and MGE's position is set out in its Appendix A. Additionally, the Office of the Public Counsel suggested using the entire cost of replacements amounting to \$40,679,361.58 for Laclede Gas Company and \$35,997,222.77

for MGE. In the alternative, Public Counsel suggested excluding the entire ISRS request as the value of the reconciliation.

**THE COMMISSION ORDERS THAT:**

1. A reconciliation is approved, as represented by each of the positions of the parties as set out above and in Staff Attachments A and B for Laclede and Staff Attachments A and B for Missouri Gas Energy, and in Laclede Gas Company's Appendix A.
2. This order shall be effective when issued.



**BY THE COMMISSION**

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney,  
Rupp, and Coleman, CC., concur.

Dippell, Senior Regulatory Law Judge

Missouri Gas Energy  
 ISRS Case No. GO-2016-0332  
 Reconciliation of Contested Issues

	Staff	MGE	OPC
Total Revenue Requirement	3,362,598	3,362,598	3,362,598 <sup>1</sup>
<i>Value of Contested Issues:</i>			
Hydrostatic Testing	-	-	(176,300)
Revenue Requirement less Hydrostatic testing	<u>3,362,598</u>	<u>3,362,598</u>	<u>3,186,298</u>
Removal of Plastic Pipe	-	-	318,630 <sup>2</sup>
Revenue Requirement less removal of plastic pipe	<u>3,362,598</u>	<u>3,362,598</u>	<u>2,867,668</u>
Revenue Requirement less Contested Issues	<u>3,362,598</u>	<u>3,362,598</u>	<u>2,867,668</u>

<sup>1</sup> OPC has not indicated opposition to Staff's recommended revenue requirement other than the listed contested issues.

<sup>2</sup> Value of removal of plastic pipe is calculated at 10% for Revenue Requirement less Hydrostatic testing.



**LACLEDE GAS COMPANY - MGE DIVISION  
CASE NO. GO-2016-0332 & YG-2017-0148  
RECONCILIATION**

**Removal of Plastic Pipe**

Total Revenue Requirement		\$ 318,630				
Customer Rate Class	Number of Customers	Customer Charge	Weighted Customer Nos.	Customer Percentage	Proposed ISRS Charge	Proposed Revenues
Residential	445941	\$ 23.00	1	78.5626%	\$ 0.05	\$ 250,324
Small General Service	57881	\$ 34.00	1.478261	15.0739%	\$ 0.07	\$ 48,030
Large General Service	3421	\$ 115.40	5.017391	3.0239%	\$ 0.23	\$ 9,635
Large Volume	482	\$ 904.56	39.328696	3.3396%	\$ 1.84	\$ 10,641
	<u>507,725</u>		<u>567625.1443</u>			<u>\$ 318,630</u>

THESE ARE NOT RATES / RATHER THEY ARE ONE-TIME ADJUSTMENTS TO RATES

Laclede Gas Company  
 ISRS Case No. GO-2016-0333  
 Reconciliation of Contested Issues

	Staff	Laclede	OPC
Total Revenue Requirement	4,504,138	4,504,138	4,504,138 <sup>1</sup>
<i>Value of Contested Issues:</i>			
<b>Hydrostatic Testing</b>	-	-	-
Revenue Requirement less Hydrostatic testing	<u>4,504,138</u>	<u>4,504,138</u>	<u>4,504,138</u>
<b>Removal of Plastic Pipe</b>	-	-	1,126,035 <sup>2</sup>
Revenue Requirement less removal of plastic pipe	<u>4,504,138</u>	<u>4,504,138</u>	<u>3,378,104</u>
Revenue Requirement less Contested Issues	<u>4,504,138</u>	<u>4,504,138</u>	<u>3,378,104</u>

<sup>1</sup> OPC has not indicated opposition to Staff's recommended revenue requirement other than the listed contested issue.

<sup>2</sup> Value for removal of plastic pipe issue is calculated at 25% of Revenue Requirement less Hydrostatic testing.

**LACLEDE GAS COMPANY  
CASE NO. GO-2016-0333 & YG-2017-0147  
RECONCILIATION**

**Removal of Plastic Piping**

Total Revenue Requirement \$1,126,035

Customer Rate	Number of Customers	Customer Charge	Ratio To Residential Customer Charge	Weighted Customer Nos.	Customer Percentage	Proposed ISRS Adjust	Proposed ISRS Revenues
Residential	606,244	\$19.50	1.0000	606,244	87.94%	\$0.14	\$990,234
Com & Ind. Class 1	30,824	\$25.50	1.3077	40,308	5.85%	\$0.18	\$65,839
Com & Ind. Class 2	9,006	\$44.29	2.2713	20,455	2.97%	\$0.31	\$33,411
Com & Ind. Class 3	606	\$88.57	4.5421	2,752	0.40%	\$0.62	\$4,496
Large Volume	72	\$874.78	44.8605	3,230	0.47%	\$6.11	\$5,276
Interruptible	18	\$776.36	39.8133	717	0.10%	\$5.42	\$1,171
Transportation	147	\$2,069.94	106.1508	15,604	2.26%	\$14.45	\$25,488
Transportation - Other	0	\$1,707.94	87.5867	0	0.00%	\$0.00	\$0
Gas Light	87	\$5.69	0.2918	25	0.00%	\$0.04	\$41
Vehicular Fuel	9	\$22.09	1.1328	10	0.00%	\$0.15	\$17
Liquid Propane	44	\$17.00	0.8718	38	0.01%	\$0.12	\$63
	<u>647,057</u>			<u>689,385</u>	<u>100.00%</u>		<u>\$1,126,035</u>

THESE ARE NOT RATES / RATHER THEY ARE ADJUSTMENTS TO RATES

Missouri Gas Energy  
ISRS Revenue Requirement Reconciliation

Value of Hydrostatic Testing Issue	ISRS Total without Hydrostatic Testing Costs	ISRS Total with Hydrostatic Testing Costs	Difference
<b>ISRS Activity:</b>			
<b>Gas Utility Plant Projects--Total -(RM) RSMo 393.1012:</b>			
<b>Work Orders Placed in Service:</b>			
Replacement Mains, Services and Associated Valves and Regulators	\$ 34,149,746	\$ 35,997,151	\$ (1,847,404)
Deferred Taxes (Previous ISRS)	(2,148,408)	(2,148,408)	-
Accumulated Depreciation (Previous ISRS)	(1,211,026)	(1,211,026)	-
Deferred Taxes (Current)	(4,362,339)	(4,729,579)	367,240
Accumulated Depreciation (Current)	(231,052)	(240,273)	9,221
<b>Total ISRS Rate Base</b>	<b>\$ 26,196,921</b>	<b>\$ 27,667,865</b>	<b>\$ (1,470,943)</b>
<b>Pre-tax rate of return from S&amp;A in GR-2014-0007</b>	<b>9.75%</b>	<b>9.75%</b>	
<b>Total Revenue Requirement on Capital</b>	<b>\$ 2,554,200</b>	<b>\$ 2,697,617</b>	<b>\$ (143,417)</b>
<b>Depreciation Expense</b>	<b>\$ 632,098</b>	<b>\$ 664,982</b>	<b>\$ (32,884)</b>
<b>Property Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Current ISRS Revenues</b>	<b>\$ 3,186,298</b>	<b>\$ 3,362,598</b>	<b>\$ (176,301)</b>
<b>Value of Hydrostatic Testing Issue</b>	<b>\$ (176,301)</b>		
<b>Charges by Customer Class</b>			
Residential	\$ 1.97	\$ 2.00	\$ (0.03)
Small General	\$ 2.92	\$ 2.96	\$ (0.04)
Large General	\$ 9.90	\$ 10.03	\$ (0.13)
Large Volume	\$ 77.60	\$ 78.62	\$ (1.02)
Whiteman AFB	\$ 77.60	\$ 78.62	\$ (1.02)
Transportation	\$ 77.60	\$ 78.62	\$ (1.02)

Value of Incidental Plastic issue

UNDEFINED - NO BASIS FOR QUANTIFICATION