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Service Commission

Exhibit No.:
Issue: ISRS Updates
Witness: Glenn W. Buck
Type of Exhibit: Direct Testimony
Sponsoring Party: Laclede Gas Company
Case No.: GO-2015-0341; GO-2015-0343
Date Prepared: August 28, 2015

LACLEDE GAS COMPANY

GO-2015-0341
GO-2015-0343

DIRECT TESTIMONY

OF

GLENN W. BUCK

August 2015

Laclede Exhibit No. 5
Date 10/15/15 Reporter Angie
File No. GO-2015-0341
GO-2015-0343

DIRECT TESTIMONY OF GLENN W. BUCK

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- Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**
- A. My name is Glenn W. Buck, and my business address is 700 Market St., St. Louis, Missouri, 63101.
- Q. WHAT IS YOUR PRESENT POSITION?**
- A. I am presently employed as Director, Regulatory and Finance, for Laclede Gas Company (“Laclede” or “Company”).
- Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**
- A. I was appointed to my present position in April 2013. In this position, I am responsible for the financial aspects of rate matters generally, including financial analysis and planning. I am also responsible for monitoring regulatory trends and developments in Missouri and various other jurisdictions.
- Q. WHAT WAS YOUR EXPERIENCE WITH THE COMPANY PRIOR TO BECOMING DIRECTOR, REGULATORY AND FINANCE?**
- A. I joined Laclede in August 1986, as a Budget Analyst in the Budget Department. I was promoted to Senior Budget Analyst in June 1988, and transferred to the Financial Planning Department in December 1988 as an Analyst. I was promoted to Senior Analyst in February 1990, Assistant Manager in February 1994, and Manager in January 1996. In March of 1999 I was promoted to Manager, Financial Services. I have been working on regulatory issues since 1988 and have worked on rate cases since preparing the accounting schedules in GR-90-120. Further, I was responsible for the preparation of every one of the Laclede Gas operational unit’s ISRS filings since the mechanism was established in August of 2003.

1 Q. **WHAT IS YOUR EDUCATIONAL BACKGROUND?**

2 A. I graduated from the University of Missouri - Columbia, in 1984, with a Bachelor of
3 Science degree in Business Administration.

4 Q. **HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**
5 **COMMISSION?**

6 A. Yes, I have, in Case Nos. GR-94-220, GR-96-193, GR-99-315, GT-2001-329, GR-2001-
7 629, GR-2002-356, GO-2004-0443, GR-2005-0284, GR-2007-0208, GT-2009-0026, ER-
8 2010-0036, GR-2010-0171, GC-2011-0006, GC-2011-0098, GO-2012-0363, GR-2013-
9 0171, GR-2014-0007, GO-2015-0178, and GO-2015-0179. Further, I provided oral
10 testimony before the Commission regarding the Infrastructure System Replacement
11 Surcharge (“ISRS”) rulemaking in Case No. AX-2004-0090.

12 **PURPOSE OF TESTIMONY**

13 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. The purpose of my testimony is to provide support for the Company’s inclusion of
15 budgeted (“proforma”) estimates, as updated by actual expenditures, in the current ISRS
16 filings of both Laclede Gas and Missouri Gas Energy. In the Laclede Gas ISRS case,
17 Company witness Patrick Seamands will be addressing the ISRS eligibility of the
18 Company’s investment in new telemetric equipment to replace old, worn out models and
19 its investment in regulator stations to replace multiple deteriorated stations as part of the
20 cast iron replacement program.

21 Q. **PLEASE DESCRIBE THE ISSUE RAISED BY THE OFFICE OF PUBLIC**
22 **COUNSEL (“OPC”) IN ITS REQUEST FOR A HEARING.**

1 A. In a pleading filed in Laclede's last ISRS proceeding, Case No. GO-2015-0178, OPC
2 took issue with the Company's inclusion of budgeted ISRS amounts in its ISRS filing.
3 According to OPC: "Allowing the ISRS to include costs incurred after the application is
4 unlawful under the ISRS statutes, which require schedules and supporting documentation
5 to be filed with the application. To allow a gas utility to insert additional costs into its
6 ISRS request months after its initial filing denies Public Counsel from the full 120 days
7 to contest the request." Based on its Motion to Reject in this ISRS case, it appears that
8 OPC is raising the same issue in this proceeding.

9 **Q. WILL THE INFORMATION SUPPLIED BY THE COMPANY TO UPDATE THE**
10 **PROFORMA FIGURES IN ITS APPLICATION IN THE PROCEEDING BE**
11 **SUBMITTED "MONTHS" AFTER THE COMPANY FILED ITS APPLICATION**
12 **AS PUBLIC COUNSEL ASSERTED IN LACLEDE'S LAST ISRS**
13 **PROCEEDING?**

14 A. No. The Company is updating estimated ISRS expenditures for the months of July and
15 August 2015 in a reasonable period of time – weeks, not months. The updated actual
16 figures for July have already been provided to both Staff and OPC on August 14, 2015,
17 just two weeks after Laclede filed its ISRS on July 31, 2015. The Company anticipates
18 that the updated actual figures for August will be provided to Staff and OPC no later than
19 September 14, 2015, which is just six weeks after the current ISRS was filed, and 18 days
20 before the 60-day recommendation is due. Laclede has committed to such timely updates
21 in its future ISRS filings as well.

1 **Q. IS IT UNUSUAL TO INCLUDE PRO-FORMA INFORMATION IN A CASE AND**
2 **THEN UPDATE IT WITH ACTUAL DETAILS WHEN THEY BECOME**
3 **AVAILABLE?**

4 A. Absolutely not. Parties have applied this same practice in rate cases for many years. The
5 estimates of capital expenditures to be “closed” to plant in service in the months of July
6 and August 2015 were provided as estimates in this ISRS case in much the same way
7 estimates are routinely included in the initial filing in rate cases and subsequently updated
8 and even “trued-up” with actuals during the pendency of those proceedings.
9 Additionally, rate cases involve a far greater amount of information exchanged while the
10 amount of time to review such updates is not significantly different than that being
11 provided for updated ISRS filings.

12 **Q. IS THE PERIOD OF TIME AVAILABLE TO REVIEW THE UPDATED ISRS**
13 **INFORMATION SUBSTANTIALLY DIFFERENT THAN THE PERIOD OF**
14 **TIME AFFORDED TO REVIEW UPDATED OR TRUED-UP INFORMATION IN**
15 **A RATE PROCEEDING?**

16 A. No, they are comparable. As previously noted, the complete updated information related
17 to the ISRS-eligible property for July was provided to Staff and OPC on August 14,
18 2015, which is approximately 7 weeks before the October 2, 2015 due date for Staff’s
19 Recommendations. The actual figures for August should be provided to Staff and OPC
20 by September 14, 2015 which is 18 days prior to the due date for Staff’s
21 Recommendation. In my experience, this interval of time between providing updated
22 information and the reviewing party filing its recommendation is consistent with the time
23 intervals for providing and reviewing updated information in rate cases where Staff or

1 OPC had filing deadlines. For example, in Laclede's 2007 general rate case proceeding,
2 the Staff filed its revenue requirement testimony and accounting schedules on May 4,
3 2007 based on updated information that was provided on April 20, 2007 (for the period
4 ending March 31, 2007). This two week period for auditing updated information in the
5 2007 rate case was actually shorter than the 18 day audit period provided for in this case.
6 Similarly, in the Company 2010 general rate case proceeding, the Staff filed its revenue
7 requirement testimony and accounting schedules on May 10, 2010 based, in part, on
8 updated information that had been supplied by the Company as late as April 28, 2010.
9 Again, this was a significantly shorter audit interval than the one afforded in this case,
10 and, as discussed later in this testimony, ISRS filings require a less burdensome audit
11 process.

12 **Q. IS INCLUSION OF PRO-FORMA INFORMATION IN THE ISRS**
13 **APPLICATION CONSISTENT WITH PAST PRACTICE IN LACLEDE GAS**
14 **ISRS CASES APPROVED BY THE COMMISSION?**

15 **A.** Yes. There have been pro-forma estimates followed by reconciliations in Laclede Gas
16 ISRS cases going back to at least 2009. In fact, the update of ISRS plant to reflect two
17 months of additional ISRS investments is part and parcel of a corresponding practice of
18 also updating ISRS plant to reflect an additional three to four months of accumulated
19 depreciation expense and deferred tax liability, which results in reductions in ISRS
20 revenues. The inclusion of estimates, updated by actual expenditures, was first approved
21 in a Laclede ISRS proceeding in early 2009 in Case No. GO-2009-0221. Such practice
22 has been approved by the Commission in every Laclede Report and Order issued since
23 that time including: Case Nos: GO-2009-0389, GO-2010-0212, GO-2011-0058, GO-

1 2011-0361, GO-2012-0145, GO-2012-0356, GO-2013-0352, GO-2014-0212, and GR-
2 2015-0026. The Office of Public Counsel has had an opportunity to participate in each of
3 these cases, and has in fact participated in them. Further, both the Commission Staff, in
4 its Recommendations, and the Company (in its application and supporting schedules)
5 have clearly identified in formal submissions the use of this practice in these prior ISRS
6 filings. At no time over this 6 year time frame and multiple series of ISRS filings had
7 OPC ever suggested that there was anything unlawful or improper about this practice.

8 **Q. SHOULD THERE BE ANY HEIGHTENED CONCERN REGARDING THE**
9 **AMOUNT OF TIME PROVIDED TO AUDIT ISRS ADDITIONS VERSUS THE**
10 **AUDIT TIME IN OTHER PROCEEDINGS?**

11 A. No. In fact, just the opposite is true. That's because the ISRS statute provides for a
12 simplified audit process, as ISRS costs can be audited again for prudence in a subsequent
13 rate case. The ISRS legislation (393.1015(2)(2)) provides that,

14 "The staff of the commission may examine information of the gas corporation to confirm
15 that the underlying costs are in accordance with the provisions of sections 393.1009 to
16 393.1015, and to confirm proper calculation of the proposed charge, and may submit a
17 report regarding its examination to the commission not later than sixty days after the
18 petition is filed. No other revenue requirement or ratemaking issues may be examined in
19 consideration of the petition or associated proposed rate schedules filed pursuant to the
20 provisions of sections 393.1009 to 393.1015."

21
22 The scope of the audit is meant to determine if the included projects are ISRS-eligible
23 and if the calculations were done correctly. Section 393.1015(8) provides that,

24 "Commission approval of a petition, and any associated rate schedules, to establish or
25 change an ISRS pursuant to the provisions of sections 393.1009 to 393.1015 shall in no
26 way be binding upon the commission in determining the ratemaking treatment to be
27 applied to eligible infrastructure system replacements during a subsequent general rate
28 proceeding when the commission may undertake to review the prudence of such costs. In
29 the event the commission disallows, during a subsequent general rate proceeding,
30 recovery of costs associated with eligible infrastructure system replacements previously

1 included in an ISRS, the gas corporation shall offset its ISRS in the future as necessary to
2 recognize and account for any such overcollections.”

3
4 In other words, even though the costs of an ISRS project may be in ISRS rates, those
5 costs are subject to a prudence review in a subsequent rate case and, if the costs are found
6 to be imprudent, ISRS amounts collected on the project will be refunded to customers in
7 future ISRS proceedings. In contrast, an audit in a rate case proceeding must determine
8 both the propriety and prudence of a particular expenditure without any subsequent
9 opportunity to revisit the issue at a later time. By reserving the right to a subsequent
10 prudence review, and by limiting the scope of the ISRS audit to ISRS eligibility, the
11 legislature clearly intended to ease the burden of the audit in ISRS proceedings while
12 providing more contemporaneous recovery of these investments. The non-binding nature
13 of the ISRS and the opportunity to review ISRS investments for prudence in a subsequent
14 rate case are also set out in the Commission’s ISRS rules at 4 CSR 240-3.265(15).

15 **Q. HOW MANY “NEW” WORK ORDERS DO YOU ANTICIPATE CLOSING IN**
16 **THE MONTHS OF JULY AND AUGUST?**

17 **A.** For the Laclede operating unit, through June 2015 business, 216 ISRS projects and
18 associated work orders had been reflected in the ISRS filing. We anticipate
19 approximately 30 – 40 additional work orders will close that were not recurring from
20 prior months. This is similar to the number of work orders we have closed in the
21 “update” period in prior ISRS filings. For example, in GO-2015-0178, there were 41
22 new work orders in the update period. Similarly, there were 24 new work orders in the
23 update period in GR-2015-0026. For the Commission’s convenience, I have attached as
24 Schedule GWB-1 examples of specific work orders that will close with August 2015
25 business. As can be readily seen from these examples, these work orders can be

1 reviewed for ISRS eligibility in a relatively short amount of time. The Company
2 anticipates that the results will be roughly the same for the updated information to be
3 provided on September 14, 2015. MGE's updating experience is expected to be
4 generally similar.

5 **Q. HAS THE COMPANY MADE EFFORTS TO PROVIDE UPDATED**
6 **INFORMATION IN A TIMELY FASHION?**

7 **A.** Yes. With the implementation of our new accounting system, we are now able to "close"
8 the business month days faster than previously. Additionally, being conscious of the
9 Staff's need to have adequate time to review such information, we have purposely filed
10 our ISRS cases later in the month to accommodate Staff and OPC by providing more
11 time to audit the updated information. In this instance, filing our application on July 31,
12 2015 caused the Staff's 60 day statutory recommendation date to be October 2, 2015.
13 Since Laclede has or will provide its updated information to the Staff and OPC on August
14 14, 2015 and September 14, 2015, the Staff and OPC will have 7 weeks and 18 days,
15 respectively, to review the two relatively small batches of information prior to making
16 their recommendations.

17 **Q. DO YOU HAVE ANY CONCERNS WITH THE MANNER IN WHICH OPC HAS**
18 **RAISED ITS ISSUES IN THE LACLEDE GAS ISRS FILINGS?**

19 **A.** Yes, I do. In resolution of a dispute involving income taxes, Laclede Gas, Staff and OPC
20 reached an agreement under which Laclede Gas would reduce its ISRS request by half of
21 the value of the difference in approaches for calculating taxes, and in exchange Staff and
22 OPC would work to implement the Company's ISRS as soon as reasonably possible. In
23 this case alone, the Company has reduced its ISRS request by approximately \$600,000 to

1 honor this agreement. The approach taken by Laclede Gas is consistent with the approach
2 taken for taxes in rate cases, and so Laclede Gas feels this is a significant concession on
3 its part for which it reasonably expected the significant consideration of expedited
4 approval and effectiveness of its ISRS filings. Despite this agreement, OPC in a number
5 of recent ISRS case has either raised objections to well-established practices, such as
6 updating both ISRS additions and subtractions, or to the inclusion of costs, such as those
7 relating to regulator stations, that are clearly eligible for recovery through the ISRS
8 process. Often these objections have been raised months after the Company filed its
9 ISRS where such elements were included with the initial filings, but objections were not
10 raised until “the eleventh hour” and have all resulted in delays in when the Company
11 obtains approval for its ISRS filings. In this case, the Company proposed a number of
12 alternatives for litigating the issues that have previously been raised by OPC in a way that
13 would provide at least some measure of expedited treatment in return for the significant
14 consideration the Company has given. Ultimately, Laclede Gas and Staff were able to
15 agree to a proposed schedule, which OPC continued to argue was too expedited since,
16 according to OPC, the Commission had until December 1, 2015 to approve an ISRS and
17 allow it to go into effect. Combined with its prior actions, OPC’s contention in this
18 proceeding that there is no reason for the Commission to address and resolve Laclede
19 Gas’ ISRS cases on any kind of expedited basis (together with its opposition to proposals
20 that would allow that to happen) constitutes a repudiation by OPC of its commitments
21 under the agreement described above. Under such circumstances, OPC should not be
22 permitted to continue to benefit from a bargain that it is not reasonably upholding, and
23 instead seems to be bent on frustrating. For a discussion of the Company’s merits on the

1 income tax issue, please see the testimony of James A. Fallert and Glenn W. Buck filed
2 in May 2004 in Case No. GO-2004-0443

3 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

4 A. The Company believes the current process of updating the ISRS information fits squarely
5 with the legislative intent, which was to allow more timely cost recovery of gas safety
6 investments and government mandated relocations under a targeted audit process that is
7 backstopped by a later review for prudence in a rate case. The provision of pro-forma
8 information on ISRS projects is consistent with the common practice of using such
9 information, as updated with actuals, in other rate proceedings. There is more than
10 adequate time to review such projects and meet the 60 day timeframe for a Staff
11 Recommendation regarding eligibility and accuracy.

12 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

13 A. Yes.

Work Order Authorization Information

Header Detail

Work Order: 900310		Company: Laclede Gas Company	
Work Order Title: Inst 2250F 2P Yale Ave Maplewood 1C		Business Segment: Distribution LDC 1	
Wo Type Description: WO-Replacement Mains & Services		Functional Class: Distribution Plant	
Work Order Group:		Department Code: 10638	
Current Revision: 1		Department Description: Construction - Region 1B - Union	
Funding Project: 3303L		Budget Description: Replacement of Dist Sys - Laclede	
Funding Project Desc: Replacement of Dist Sys - Laclede		Est. Annual Revenue:	
Eligible for AFUDC yes		Reimbursement Type: None	
Eligible for CPI: yes		Retirement Type:	
Reason Code: Strategic			
WO Description: Install 2,250 feet of 2 inch PL IP on Yale Ave between Bruno Ave and Lyndover Pl. Work from Maplewood 1C is being expedited due to street work by the City of Maplewood.			
Major Location: Mass Property-Laclede		Status: completed	
Asset Location: Laclede-St. Louis County			
Estimated Start Date: Aug 01, 2013		Estimated Completion Date: Sep 27, 2013	
		Estimated In-Service Date: Sep 27, 2013	
Notes:			

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	7/17/2013
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	7/24/2013
VP Field Operations	Reitz, Tom	\$75,000	7/26/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	7/30/2013

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$131,047.79	\$0.00	\$131,047.79	\$0.00	\$0.00
Total Estimated Costs:	\$131,047.79	\$0.00	\$131,047.79	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 002139</p> <p>Work Order Title: Inst 3278F 2P MLK -Wellston 1B</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC yes Eligible for GPI: yes</p> <p>Reason Code: System Integrity</p> <p>WO Description: Install 3278F 2P main on Dr MLK Dr at various locations. Abandon 4374F of var CI, ST & PI at the same location. Total Service Transfers - 75. Wellston -Phase 1B</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis County</p> <p>Estimated Start Date: May 30, 2013 Estimated Completion Date: Sep 30, 2013 Estimated In-Service Date: Sep 30, 2013</p> <p>Notes: Service Hub ID 26052</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue: \$0</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p>
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Reason for Work (Justification)

No Reason Provided

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	7/5/2013
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	7/8/2013
VP Field Operations	Reitz, Tom	\$75,000	7/8/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	7/8/2013

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376100-Mains - Steel	\$0.00	\$274.00	\$274.00	\$0.00	\$0.00
376200-Mains - Cast Iron	\$0.00	\$12,019.00	\$12,019.00	\$0.00	\$0.00
376300-Mains - Plastic	\$377,647.00	\$1,366.00	\$379,013.00	\$0.00	\$0.00
Total Estimated Costs:	\$377,647.00	\$13,659.00	\$391,306.00	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 002140</p> <p>Work Order Title: Inst 6894F 2P Bertha-Wellston 1A</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group: Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: System Integrity</p> <p>WO Description: Install 6894F 2P main on Bertha Ave at various locations. Abandon 6312F var CI & PL at the same locations. Total Service Transfers - 97. Wellston-Phase 1A</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Apr 30, 2013</p> <p>Notes: Service Hub ID 25949 Received F110 8-25-15, Field Complete 7-15 - Follow up on F604 report for retirements - AMM</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10628</p> <p>Department Description: Central - Construction (Retired)</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue: \$0</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: in service</p> <p>Estimated Completion Date: Nov 30, 2013</p> <p>Estimated In-Service Date: Nov 30, 2013</p>
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Reason for Work (Justification)
No Reason Provided

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	7/5/2013
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	7/8/2013
VP Field Operations	Reitz, Tom	\$75,000	7/8/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	7/8/2013
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	7/8/2013

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376200-Mains - Cast Iron	\$0.00	\$6,760.00	\$6,760.00	\$0.00	\$0.00
376300-Mains - Plastic	\$732,675.00	\$69.00	\$732,744.00	\$0.00	\$0.00
Total Estimated Costs:	\$732,675.00	\$6,829.00	\$739,504.00	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

Work Order: 900650		Company: Laclede Gas Company	
Work Order Title: Inst 3290F 2P St Louis Hills Ph1A		Business Segment: Distribution LDC 1	
Wo Type Description: WO-Replacement Mains & Services		Functional Class: Distribution Plant	
Work Order Group:		Department Code: 10638	
Current Revision: 1		Department Description: Construction - Region 1B - Union	
Funding Project: 3303L		Budget Description: Replacement of Dist Sys - Laclede	
Funding Project Desc: Replacement of Dist Sys - Laclede		Est. Annual Revenue:	
Eligible for AFUDC yes	Eligible for CPI: yes	Reimbursement Type: None	
Reason Code: Strategic		Retirement Type:	
WO Description: Install 3290 Ft of 2PL IP main on Wabash Ave, Bancroft Ave, and Winona Ave. Main is being installed as part of FY 2014 Cast Iron Replacement Program.			
Major Location: Mass Property-Laclede		Status: in service	
Asset Location: Laclede-St. Louis City			
Estimated Start Date: Apr 01, 2014		Estimated Completion Date: Jun 30, 2014	
		Estimated In-Service Date: Jun 30, 2014	
Notes: Related abandonment WO - 900654, Task 12840256 WO 900654 estimate moved to install WO.			

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	3/19/2014
Engineering Review-Dist S	Hoeferlin, Craig	\$0	3/28/2014
VP Field Operations	Reitz, Tom	\$75,000	3/28/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	3/31/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376200-Mains - Cast Iron	\$0.00	\$13,779.24	\$13,779.24	\$0.00	\$0.00
376300-Mains - Plastic	\$133,583.26	\$0.00	\$133,583.26	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$251,701.57	\$0.00	\$251,701.57	\$0.00	\$0.00
Total Estimated Costs:	\$385,284.83	\$13,779.24	\$399,064.07	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900652</p> <p>Work Order Title: Inst 4435F 2P St Louis Hills Ph1B</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 4435 Ft of 2PL IP main on Wabash Ave, Winona Ave, McCausland Ave, and Lindenwood Pl. Main is being replaced as part of the FY 2014 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Jul 01, 2014 Estimated Completion Date: Sep 30, 2014</p> <p>Notes: Related Aband WO 900655 WO 900655 COR estimate moved to install WO.</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated In-Service Date: Sep 30, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	4/7/2014
Engineering Review-Dist S	Hoeferlin, Craig	\$0	4/9/2014
VP Field Operations	Reitz, Tom	\$75,000	4/9/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	4/14/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$150,888.30	\$0.00	\$150,888.30	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$289,703.36	\$0.00	\$289,703.36	\$0.00	\$0.00
Total Estimated Costs:	\$440,591.66	\$0.00	\$440,591.66	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900476</p> <p>Work Order Title: Inst 3350F 6P Ivory</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 3350 Ft of 6PL IP main on Ivory St from Koeln Ave to River Des Peres. Main to be installed as part of the FY14 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis County</p> <p>Estimated Start Date: Jul 01, 2014</p> <p>Notes:</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Sep 30, 2014</p> <p>Estimated In-Service Date: Sep 30, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	5/18/2014
Engineering Review-Dist	Hoeflerlin, Craig	\$0	5/28/2014
VP Field Operations	Reitz, Tom	\$75,000	5/28/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	5/30/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376200-Mains - Cast Iron	\$0.00	\$8,038.69	\$8,038.69	\$0.00	\$0.00
376300-Mains - Plastic	\$321,404.22	\$0.00	\$321,404.22	\$0.00	\$0.00
Total Estimated Costs:	\$321,404.22	\$8,038.69	\$329,442.91	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900271</p> <p>Work Order Title: Inst 2646F 2P Walnut Park Ph5C</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group: Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 2646 Ft of 2PL IP main on Saloma Ave, Lillian Ave, Laura Ave, and Riverview Blvd. Main is being installed as part of the FY 2104 Cast Iron Main Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p style="text-align: right;">Status: completed</p>
<p>Estimated Start Date: Jun 23, 2014 Estimated Completion Date: Sep 26, 2014 Estimated In-Service Date: Sep 26, 2014</p> <p>Notes: Related Abandonment WO 900563, Task 12753864 WO 900563 COR estimate moved to install WO</p>	

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	5/13/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	5/13/2014
VP Field Operations	Reitz, Tom	\$75,000	5/14/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	5/30/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376200-Mains - Cast Iron	\$0.00	\$12,517.43	\$12,517.43	\$0.00	\$0.00
376300-Mains - Plastic	\$86,699.90	\$0.00	\$86,699.90	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$92,964.51	\$0.00	\$92,964.51	\$0.00	\$0.00
Total Estimated Costs:	\$179,664.41	\$12,517.43	\$192,181.84	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900780</p> <p>Work Order Title: Inst 2180F 6P Union Header Main</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 2,180ft of 6PLIP main on Union Blvd between Natural Bridge Ave and Terminal Railroad (north of Brown Ave). Header main to be installed as part of the FY14 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Jul 01, 2014</p> <p>Notes:</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Sep 30, 2014</p> <p>Estimated In-Service Date: Sep 30, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	6/29/2014
Engineering Review-Dist S	Hoferlin, Craig	\$0	7/1/2014
VP Field Operations	Reitz, Tom	\$75,000	7/1/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	7/16/2014

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$231,599.20	\$0.00	\$231,599.20	\$0.00	\$0.00
Total Estimated Costs:	\$231,599.20	\$0.00	\$231,599.20	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900896</p> <p>Work Order Title: Repl.w/ 2990F 2P 4P Maple</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: System Integrity</p> <p>WO Description: Install 2640 Ft. of 2" PL IP and 350 Ft. of 4" PL IP and abandon 280 Ft. of 6" ST LP, 1812 Ft. of 6" CI LP and 866 Ft. of 4" CI LP on Maple, Beach, and Catalpa. Main is being replaced as part of the FY15 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Feb 16, 2015</p> <p>Notes: Main is being replaced as part of the FY15 Cast Iron Replacement Program.</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: in service</p> <p>Estimated Completion Date: May 29, 2015</p> <p>Estimated In-Service Date: May 29, 2015</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	12/18/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	1/2/2015
VP Field Operations	Reitz, Tom	\$500,000	1/2/2015

***** Unif Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376100-Mains - Steel	\$8.27	\$2,669.50	\$2,677.77	\$0.00	\$0.00
376200-Mains - Cast Iron	\$0.00	\$15,590.57	\$15,590.57	\$0.00	\$0.00
376300-Mains - Plastic	\$236,257.00	\$0.00	\$236,257.00	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$112,422.20	\$0.00	\$112,422.20	\$0.00	\$0.00
Total Estimated Costs:	\$348,687.47	\$18,260.07	\$366,947.54	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900962</p> <p>Work Order Title: Inst 5842F 6P 4P Newstead -Header</p> <p>Wo Type Description: WO-Relocation Mains LGC</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 5607 Ft of 6in PLIP main and 235 Ft of 4in PLIP main on Newstead Ave from Evans Ave to Lindell Blvd. Main to be installed as part of the FY15 Header Main Installation Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Mar 02, 2015</p> <p>Notes: Main to be installed as part of the FY15 Header Main Installation Program.</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Sep 30, 2015</p> <p>Estimated in-Service Date: Sep 30, 2015</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	12/18/2014
Engineering Review-Dist S	Hoferlin, Craig	\$0	1/2/2015
VP Field Operations	Reitz, Tom	\$500,000	1/2/2015
Chief Operating Officer	Lindsey, Steve	\$2,000,000	1/5/2015

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$519,632.80	\$0.00	\$519,632.80	\$0.00	\$0.00
Total Estimated Costs:	\$519,632.80	\$0.00	\$519,632.80	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900945</p> <p>Work Order Title: Inst 3920F 8P Hampton&Sulpher Headr</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 3920 Ft. of 8" PL IP main and 20 Ft. pf 6PL IP main on Hampton Ave and Sulphur Ave in between Eichelberger St and Chippewa Ave.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p style="text-align: right;">Status: completed</p>
<p>Estimated Start Date: Mar 01, 2015 Estimated Completion Date: Sep 30, 2015 Estimated In-Service Date: Sep 30, 2015</p> <p>Notes: Main to be installed as part of the FY15 Header Main Installation Program.</p>	

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	12/18/2014
Engineering Review-Dist	Hoeflerlin, Craig	\$0	1/2/2015
VP Field Operations	Reitz, Tom	\$500,000	1/2/2015
Chief Operating Officer	Lindsey, Steve	\$2,000,000	1/5/2015

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$507,978.29	\$0.00	\$507,978.29	\$0.00	\$0.00
Total Estimated Costs:	\$507,978.29	\$0.00	\$507,978.29	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

Work Order: 900978	Company: Laclede Gas Company
Work Order Title: Inst 3875F 8P Brannon Ave-Header	Business Segment: Distribution LDC 1
Wo Type Description: WO-Replacement Mains & Services	Functional Class: Distribution Plant
Work Order Group:	Department Code: 10638
Current Revision: 1	Department Description: Construction - Region 1B - Union
Funding Project: 3304L	Budget Description: Replacement Header Main - Laclede
Funding Project Desc: Replacement Header Main - Laclede	Est. Annual Revenue:
Eligible for AFUDC yes	Eligible for CPI: yes
Reason Code: Strategic	Reimbursement Type: None
Retirement Type:	
WO Description: Install 3875 Ft of 8PL IP header main on Brannon Ave from Southwest Ave to Fyler Ave. Main to be installed as part of the FY15 Cast Iron Replacement Program.	
Major Location: Mass Property-Laclede	Status: in service
Asset Location: Laclede-St. Louis City	
Estimated Start Date: Mar 02, 2015	Estimated Completion Date: Sep 30, 2015
	Estimated In-Service Date: Sep 30, 2015
Notes: Main to be installed as part of the FY15 Cast Iron Replacement Program.	

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	12/18/2014
Engineering Review-Dist 5	Hoeflerlin, Craig	\$0	1/2/2015
VP Field Operations	Reitz, Tom	\$500,000	1/2/2015
Chief Operating Officer	Lindsey, Steve	\$2,000,000	1/5/2015

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$549,979.08	\$0.00	\$549,979.08	\$0.00	\$0.00
Total Estimated Costs:	\$549,979.08	\$0.00	\$549,979.08	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

Work Order: 900095		Company: Laclede Gas Company	
Work Order Title: Rel w/ 350F 8P Mason Rd Bridge #211		Business Segment: Distribution LDC 1	
Wo Type Description: WO-Relocation Mains LGC		Functional Class: Distribution Plant	
Work Order Group:		Department Code: 10648	
Current Revision: 1		Department Description: Construction - Region 1A - Union	
Funding Project: 3403L		Budget Description: Relocation of Dist Sys - Laclede	
Funding Project Desc: Relocation of Dist Sys - Laclede		Est. Annual Revenue:	
Eligible for AFUDC yes		Eligible for CPI: yes	
Reason Code: Government Request		Reimbursement Type: None	
		Retirement Type:	
<p>WO Description: Install 350ft of 8in PLIP main on Mason Rd between Bellerive Springs Dr and Mulberry Row. Abandon 300ft of 8in STIP main at the same location. This job is non-reimbursable.</p>			
Major Location: Mass Property-Laclede		Status: completed	
Asset Location: Laclede-St. Louis County			
Estimated Start Date: Aug 25, 2014		Estimated Completion Date: Oct 10, 2014	
		Estimated In-Service Date: Oct 10, 2014	
Notes: Relocation is necessary due to road improvements.			

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	9/10/2014
Engineering Review-Dist	Hoferlin, Craig	\$0	9/15/2014
VP Field Operations	Reitz, Tom	\$75,000	9/15/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	10/6/2014

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376100-Mains - Steel	\$0.00	\$24,122.32	\$24,122.32	\$0.00	\$0.00
376300-Mains - Plastic	\$72,306.56	\$0.00	\$72,306.56	\$0.00	\$0.00
Total Estimated Costs:	\$72,306.56	\$24,122.32	\$96,428.88	\$0.00	\$0.00

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


In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change) File No. G0-2015-0341
its Infrastructure System Replacement Surcharge)
in its Laclede Gas Service Territory)

AFFIDAVIT

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


Glenn W. Buck, of lawful age, being first duly sworn, deposes and states:

1. My name is Glenn W. Buck. My business address is 700 Market Street, St. Louis, MO 63101 and I am the Director, Regulatory and Finance for Laclede Gas Company.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Laclede Gas Company.
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.



Glenn W. Buck

Subscribed and sworn to before me this 28 day of August, 2015.



Notary Public

