

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

In the Matter of the Application of)	
Missouri Gas Energy, a division of)	
Laclede Gas Company, for Approval to)	Case No. GO-2014-0179
Change its Infrastructure System)	
Replacement Surcharge)	

MOTION TO REJECT APPLICATION

COMES NOW the Missouri Office of the Public Counsel (OPC) and for its Motion to Reject Application states:

1. On December 6, 2013, Missouri Gas Energy (MGE) filed an application to change its Infrastructure System Replacement Surcharge (ISRS).
2. OPC moves the Commission to reject the Application because it does not comply with Commission Rule 4 CSR 240-3.265(20)(K) and (L). Rule 4 CSR 240-3.265(20) establishes the “minimum” filing requirements for ISRS petitions that seek “to establish, change or reconcile an ISRS.”
3. Subsection (20)(K) requires gas companies to file with their ISRS petitions a breakdown of the ISRS eligible costs identifying which of the project categories apply, and the specific requirements being satisfied by the infrastructure replacement for each. Subsection (20)(K) states:

(20) At the time that a natural gas utility files a petition with the commission seeking to establish, change or reconcile an ISRS, it shall submit proposed ISRS rate schedules and its supporting documentation regarding the calculation of the proposed ISRS with the petition, and shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules and its supporting documentation. The subject utility’s supporting documentation shall include workpapers showing the calculation of the proposed ISRS, and shall include, at a minimum, the following information:

...

(K) For each project for which recovery is sought, the net original cost of the infrastructure system replacements..., the amount of related ISRS costs that are eligible for recovery during the period in which the ISRS will be in effect, and a breakdown of those costs identifying which of the following project categories apply and the specific requirements being satisfied by the infrastructure replacements for each. [emphasis added].

This requires petitioners to identify which category of expense qualifies *each* infrastructure investment for ISRS recovery. The expense categories include the following:

1. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with state or federal safety requirements as replacements for existing facilities that have worn out or are in deteriorated condition;
2. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects extending the useful life or enhancing the integrity of pipeline system components undertaken to comply with state or federal safety requirements; and
3. Facilities relocation required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain provided that the costs related to such projects have not been reimbursed to the gas corporation.

MGE's Application does not identify which of the three categories qualifies each investment for ISRS recovery. In addition, MGE's Application does not identify "the specific requirements being satisfied by the infrastructure replacements for each," which should identify the law or order mandating the investment. For these reasons, MGE's Application is not in compliance with Subsection (20)(K) and should be rejected.

4. Subsection (20)(L) also requires MGE to identify the specific law or order mandating the investment. It requires MGE's petition to include the following:

(L) For each project for which recover is sought, the statute, commission order, rule, or regulation, if any, requiring the project; a description of the project; what portions of the project are completed, used and useful; what portions of the project are still to be completed; and a beginning and planned end date of the project.

MGE's Application does not include this required information. OPC is unable to properly review the Application for compliance with the ISRS statutes without this required information.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission reject the Application.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

Marc D. Poston (#45722)

Deputy Public Counsel

P. O. Box 2230

Jefferson City MO 65102

(573) 751-5558

(573) 751-5562 FAX

marc.poston@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 18th day of December 2013:

/s/ Marc Poston