

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 24th day of
October, 2012.

In the Matter of Laclede Gas Company's)	
Verified Application for a Two Year Extension of the)	
Financing Authority Granted in Case No. GF-2009-0450)	<u>File No. GF-2013-0085</u>
Subject to the Same Terms and Conditions)	
Previously Approved by the Commission.)	

ORDER GRANTING APPLICATION

Issue Date: October 24, 2012

Effective Date: November 23, 2012

The Missouri Public Service Commission is granting the *Verified Application of Laclede Gas Company* ("application"). In the application, Laclede Gas Company ("Laclede") seeks a two-year extension of the long-term financing authorization ("current authorization") as set forth in File No. GF-2009-0450 ("earlier order"). The earlier order sets forth conditions for long-term financing, which the parties agree shall continue, with one addition: Laclede shall give 30 days' notice before issuing debt or the reason for not giving that notice ("the new condition").

I. Procedure

Laclede filed the application on August 21, 2012. On September 24, 2012, Staff filed its recommendation in favor of granting the application subject to the new condition. On October 5, 2012, Laclede filed its reply. In the reply, Laclede agrees to the new condition, though not with all the supporting grounds proffered by Staff. Neither the governing statutes nor any other law require a hearing before approving the unopposed application, so the

Commission will decide the application as a noncontested case,¹ without separately stating its findings of fact. The Commission's independent conclusions and decision are as follows.²

II. Jurisdiction

The Commission has jurisdiction to decide the application as follows. Laclede is a Missouri corporation authorized to do business as a gas corporation. Laclede asks the Commission to extend its current authorization. Such authorization is necessary for Laclede to encumber any of its Missouri property.³ That authorization is also necessary for Laclede to issue any long-term financing.⁴

III. Merits

The standard is whether granting the application is detrimental to the public interest,⁵ which means whether the amount sought is within statutorily specified purposes.⁶ The issuance of long-term financing is also subject to Commission "supervision, regulation, restriction and control [.]"⁷ The earlier order already resolved those issues as to the current authorization, and extending the current authorization is the application's only object. Therefore, the Commission independently finds and concludes that extended authorization is not detrimental to the public. Further, the parties agree to the new condition.

Therefore, the Commission will grant the application subject to the new condition.

THE COMMISSION ORDERS THAT:

1. The *Verified Application of Laclede Gas Company* ("application") is approved.

¹ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Serv. Comm'n*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

² Section 386.420.2.

³ Section 393.180.1, as discussed in the earlier order at pages 7-9. The full text of the statute is set forth in the appendix to this order.

⁴ Section 393.200.1.

⁵ *State ex rel. City of St. Louis v. Public Service Comm'n of Missouri*, 73 S.W.2d 393, 400 (Mo.1934).

⁶ Section 393.200.1, as discussed in the earlier order at pages 7-9. The full text of the statute is set forth in the appendix to this order.

2. The current authorization, as described in the body of this order, is extended to June 30, 2015.

3. Such authorization shall be subject to the following conditions.

a. All conditions set forth in the *Report and Order*⁸ in File No. GF-2009-0450⁹ are incorporated herein as if fully set forth; and

b. Laclede Gas Company ("Laclede") shall give the Commission's staff:

i. Thirty days' notice explaining the intended use of proceeds of any debt issuance under Laclede's financing authorization; or

ii. The reason why less than 30 days notice was provided.

4. This order shall become effective on November 23, 2012.

5. This file shall close on November 24, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Jarrett, Kenney, and
Stoll, CC., concur.

Jordan, Senior Regulatory Law Judge

⁷ Section 393.180.

⁸ Issued on June 16, 2010.

⁹ *In the Matter of Laclede Gas Company's Verified Application for Authority to Issue and Sell First Mortgage Bonds, Unsecured Debt and Preferred Stock, in Connection with a Universal Shelf Registration Statement, to Issue Common Stock and Receive Capital Contributions, to issue or accept Private Placement Securities, and to Enter Into Capital Leases, all in a Total Amount Not to Exceed \$600 Million.*

Appendix

393.200. 1. A gas corporation, electrical corporation, water corporation or sewer corporation organized or existing or hereafter incorporated under or by virtue of the laws of this state may issue stocks, bonds, notes or other evidences of indebtedness payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of its plant or system, or for the improvement or maintenance of its service or for the discharge or lawful refinancing of its obligations or for the reimbursement of moneys actually expended from income, or from any other moneys in the treasury of the corporation not secured or obtained from the issue of stocks, bonds, notes or other evidence of indebtedness of such corporation, within five years next prior to the filing of an application with the commission for the required authorization, for any of the aforesaid purposes except maintenance of service and except replacements in cases where the applicant shall have kept its accounts and vouchers of such expenditure in such manner as to enable the commission to ascertain the amount of money so expended and the purposes for which such expenditure was made; provided, and not otherwise, that there shall have been secured from the commission an order authorizing such issue, and the amount thereof, and stating the purposes to which the issue or proceeds thereof are to be applied, and that, in the opinion of the commission, the money, property or labor to be procured or paid for by the issue of such stock, bonds, notes or other evidence of indebtedness is or has been reasonably required for the purposes specified in the order, and that except as otherwise permitted in the order in the case of bonds, notes and other evidence of indebtedness, such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

2. Nothing herein contained shall prohibit the commission from giving its consent to the issue of bonds, notes or other evidence of indebtedness for the reimbursement of moneys heretofore actually expended from income for any of the aforesaid purposes, except maintenance of service or replacements, prior to five years next preceding the filing of an application therefor, by any sewer corporation, if in the judgment of the commission such consent should be granted, provided application for such consent shall be made prior to January 1, 1968. For the purpose of enabling it to determine whether it should issue such an order, the commission shall make such inquiry or investigation, hold such hearings and examine such witnesses, books, papers, documents and contracts as it may deem of importance in enabling it to reach a determination. Such sewer corporation shall not without the consent of the commission apply said issue or any proceeds thereof to any purpose not specified in such order.

3. Such gas corporation, electrical corporation, water corporation or sewer corporation may issue notes, for proper corporate purposes and not in violation of any provision of this or any other law, payable at periods of not more than twelve months without such consent; but no such notes shall, in whole or in part, directly or indirectly, be refunded by any issue of stock or bonds or by any evidence of indebtedness running for more than twelve months without the consent of the commission; provided, however, that the commission shall have no power to authorize the capitalization of any franchise to be a corporation or to authorize the capitalization of any franchise or the right to own, operate or enjoy any franchise whatsoever in excess of the amount, exclusive of any tax or annual charge, actually paid to the state or to any political subdivision thereof as the consideration for the grant of such franchise or right. Nor shall the capital stock of a corporation, formed by the merger or consolidation of two or more other corporations, exceed the sum of the capital stock of the corporations, so consolidated, at the par value thereof, or such sum and any additional sum actually paid in cash; nor shall any contract for consolidation or lease be capitalized in the stock of any corporation whatsoever; nor shall any corporation hereafter issue any bonds against or as a lien upon any contract for consolidation or merger.