

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 21st day of July, 2010.

In the Matter of Laclede Gas Company's Tariff to) **File No. GR-2010-0171**
Increase Its Annual Revenues for Natural Gas Service) Tariff No. YG-2010-0376

ORDER CONFIRMING ENERGY CONSERVATION AND EFFICIENCY PROGRAMS

Issue Date: July 21, 2010

Effective Date: July 21, 2010

The Missouri Public Service Commission is granting the *Motion to Confirm Continuation of Conservation and Energy Efficiency Programs* (“motion”). Laclede Gas Company (“Laclede”) filed the motion on July 7, 2010, seeking an order confirming the operation of Laclede’s conservation and energy efficiency programs (“programs”) beyond July 29, 2010. The issue arises from an earlier action¹ in which the Commission’s order² incorporated the parties’ settlement.³

The settlement provided:

20. The Parties agree that the following terms should be approved in connection with [the programs]:

* * *

(f) The rates recommended herein include an allowance of One Hundred and Fifty Thousand Dollars (\$150,000) annually which may be used to pay for program development and implementation, including consulting services that will be

¹ In the Matter of Laclede Gas Company's Tariff to Revise Natural Gas Rate Schedules, File No. GR-2007-0208 ("earlier action").

² Id., Order Approving Unanimous Stipulation and Agreement and Authorizing Tariff Filing, issued on July 19, 2010.

³ Id., Unanimous Stipulation and Agreement, filed on July 9, 2007.

employed in the process. In addition to these funds, Laclede further agrees to invest up to Three Million Five Hundred Thousand Dollars (\$3,500,000) to fund [the programs] that are developed as a result of the EEC process **over the next three years**, unless the parties unanimously agree to request that the Commission approve a greater expenditure during that time period. Any annual funding amounts included in rates that are not expended in a given year will be transferred to the regulatory asset account for energy efficiency costs.

(g) Subject to a review by any party, including charter members of the EEC, for program implementation and evaluation implementation prudence in future rate cases, such investments for the development, implementation and evaluation of energy efficiency programs that are not funded through the \$150,000 annual funding amount shall be accumulated in a regulatory asset account at the time such investments are made. Such investments will then be reflected in Laclede's rate base in its next general rate case in the same manner as other rate base items, provided that a ten year service life shall be presumed for such investments. Any monies advanced in rates or by Laclede in connection with these programs shall accumulate interest at an annual rate equal to Laclede's average short-term debt cost as of March 31, 2007.

(Emphasis added.)

The order adopting the settlement in the earlier case was effective on July 29, 2007, so "the next three years" will end on July 29, 2010. July 29, 2010, constitutes an expiration date for the programs if the emphasized language modifies "to fund [the programs.]" Such reading would be in error, Laclede argues, because the parties to the settlement contemplated the programs continuing beyond July 29, 2010.

Laclede filed the motion on behalf of the Energy Efficiency Collaborative ("EEC"). The EEC's members include Staff, which filed its separate endorsement of the motion on July 14, 2010. As of the date of this order, the Commission has received no objection to the motion.

The Commission independently finds and concludes that the programs shall continue beyond July 29, 2010, so the Commission will grant the motion.

THE COMMISSION ORDERS THAT:

1. The *Motion to Confirm Continuation of Conservation and Energy Efficiency Programs* is granted.
2. This order shall become effective immediately upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. Reed', is written over a faint, larger signature.

Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
Gunn, and Kenney, CC., concur.

Jordan, Regulatory Law Judge