

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 11th day
of January, 2012.

In the Matter of the Verified Application and)	<u>File No. GO-2012-0145</u>
Petition of Laclede Gas Company to Change its)	Tariff No. YG-2012-0209
Infrastructure System Replacement Surcharge)	Tariff No. YG-2012-0320

**ORDER APPROVING ADJUSTED ISRS RATES AND
GRANTING MOTION FOR EXPEDITED TREATMENT**

Issue Date: January 11, 2012

Effective Date: January 13, 2012

On November 9, 2011¹, Laclede Gas Company (hereafter “Laclede”) filed an application with the Missouri Public Service Commission under Sections 393.1009, 393.1012 and 393.1015, RSMo Cum. Supp. 2010, requesting that the Commission authorize the company to adjust its Infrastructure System Replacement Surcharge (hereafter “ISRS”) for numerous gas utility plant projects. Laclede’s request to change its ISRS rates was accompanied by an implementing tariff. That tariff has an effective date of January 13, 2012.

In its ISRS application, Laclede seeks to adjust its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period of June 1 through September 30, including pro forma ISRS costs updated through November 30. The specific infrastructure system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

¹ All calendar references are to 2011 unless otherwise indicated.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Laclede's ISRS filing. Therefore, on November 14, the Commission directed that notice of the filing be mailed to the county commission of the counties served by Laclede, as well as to the corresponding governing body for the City of St. Louis. It also directed that notice be given to the media serving the area served by Laclede and to the members of the General Assembly representing that area. In that same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than December 5. The Commission received no intervention requests.

Section 393.1015.2(2), RSMo, requires the Staff of the Commission (hereafter "Staff") to file a report regarding an ISRS application no later than 60 days after it was filed. Staff filed its recommendation on January 4, 2012, advising the Commission to reject the May 2 tariff sheets.

Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$2,042,731. Instead, Staff recommends that Laclede be authorized to file ISRS rates as reflected in Attachment B to the Staff Recommendation. Tariff sheets comporting with Attachment B would allow Laclede to recover an incremental amount of annual pre-tax revenues of \$1,953,734.

Laclede responded on January 5, 2012, stating that it agreed with and accepted Staff's recommendation. Laclede filed a substitute tariff to reflect the \$1,953,734 incremental ISRS revenue requirement that it and Staff agreed upon. The tariff sheet bears an effective date of January 13, 2012. Laclede also included a Motion for Expedited Treatment with its response, asking that the Commission approve the tariff

sheet no later than January 13, 2012. Staff responded on January 6, 2012, stating that the substitute tariff complies with its Recommendation, and further stating that it has no objection to the tariff taking effect on January 13, 2012.

Based on Laclede's application and Staff's report regarding that application, the Commission concludes that Laclede should be permitted to adjust its ISRS rates. Laclede's tariff implementing those rates, as substituted on January 5, 2012, will be approved.

The Commission further finds that good cause exists for Laclede to be excused from the Section 393.140(11) requirement that tariffs have a 30-day effective date. Also, the Commission finds that good cause exists for Laclede to be excused from the Commission Rule 4 CSR 240-4.020 requirement of filing a 60-day notice prior to filing its application.

To constitute good cause, the reason or legal excuse given "must be real not imaginary, substantial not trifling, and reasonable not whimsical."² Laclede states, and the Commission finds, that there will be no negative effect on its customers or the general public if the Commission allows the tariff to become effective on or before January 13, 2012.

THE COMMISSION ORDERS THAT:

1. Laclede Gas Company is authorized to adjust its Infrastructure System Replacement Surcharge rates in the manner agreed upon as listed in the Staff Recommendation and Response to Staff Recommendation.

² *Belle State Bank v. Indus. Comm'n*, 547 S.W.2d 841, 846 (Mo. App. 1977). See also *Barclay White Co. v. Unemployment Compensation Bd.*, 50 A.2d 336, 339 (Pa. 1947) (to show good cause, reason given must be real, substantial, and reasonable).

2. The Motion for Expedited Treatment filed by Laclede Gas Company is granted.

3. The tariff sheet filed by Laclede Gas Company on November 9, 2011, assigned tariff number YG-2011-0209, is rejected.

4. The tariff sheet filed by Laclede Gas Company, on January 5, 2012, and assigned tariff number YG-2012-0320, is approved, effective on January 13, 2012. The tariff sheet approved is:

P.S.C. Mo. No. 5 Consolidated
Eighteenth Revised Sheet No. 12, Cancelling Seventeenth Revised Sheet No. 12

3. This order shall become effective on January 13, 2012.

4. This case shall be closed on January 14, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney,
and Stoll, CC., concur.
Davis, C., abstains.

Pridgin, Senior Regulatory Law Judge