

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 1st of
February, 2012.

In the Matter of the Application of)	
Southern Union Company d/b/a)	<u>File No. GO-2012-0144</u>
Missouri Gas Energy, for)	
Approval to Change its)	Tracking No. JG-2012-0207
Infrastructure System Replacement Surcharge)	

**ORDER SETTING ISRS AMOUNTS,
REJECTING TARIFFS, AND DIRECTING THE FILING OF TARIFFS**

Issue Date: February 1, 2012

Effective Date: February 3, 2012

The Missouri Public Service Commission is granting the petition of Southern Union Company d/b/a Missouri Gas Energy (“the Company”) to change the Company’s infrastructure system replacement surcharge (“ISRS”). The Commission is also setting the Company’ ISRS rates, rejecting the pending tariff sheets, and requiring the Company to file new tariffs in compliance with this order. The petition seeks an ISRS increase to recover costs related to eligible plant placed in service from February 1, 2011 through September 30, 2011.

On November 8, 2011, the Company filed the petition with supporting documents including an affidavit and a tariff. The Commission suspended the tariff until March 8, 2012.¹ In the same order, the Commission gave notice of such filing as the law requires.² The Commission also set the time to file an application for intervention. The Commission received no application for intervention.

¹ Order dated November 10, 2011.

² Section 393.1015.1(2), RSMo Supp. 2010.

The suspension of the tariff initiated a contested case.³ A contested case decision need not include conclusions of law and separately stated findings of fact if a stipulation, consent order or agreed settlement disposes of the action.⁴ Such is the case here for the following reasons.

The Commission's staff ("Staff") filed a *Staff Response to Order Requiring the Filing of Staff Report* ("recommendation") with a memorandum and supporting affidavit. Staff also filed an amended recommendation. In the recommendation as amended, Staff adjusts the Company' incremental revenue requirement by \$26,276. Staff filed the recommendation on January 5, 2012. On January 6, 2012, the Company filed a *Notice of Agreement*. In that notice, the Company asks the Commission to decide the petition in accordance with the recommendation. January 19, 2010, was the due date for any response to the amended recommendation,⁵ but the Commission received no other response.⁶

Therefore, the Commission finds and concludes that the parties consent to an order in accordance with Staff's amended recommendation.⁷ The Commission also independently finds and concludes that:

- The petition complies with the requirements of sections 393.1009 to 393.1015, RSMo;⁸

³ Section 393.150.1, RSMo 2000.

⁴ Section 536.090, RSMo 2000.

⁵ 4 CSR 240-2.080(15).

⁶ Though made a party under 4 CSR 240-2.010(11), the Office of the Public Counsel has exercised its option under Section 386.710.1(2) and (3), RSMo 2000, of entering no appearance.

⁷ That finding and conclusion also constitutes good cause for this decision to be effective in less than 30 days. Section 386.490.2, S.B. 48, 96th Gen. Assem., 2nd Reg. Sess.

⁸ Section 393.1015.1(4), RSMo Supp. 2010.

- An ISRS in accordance with the amended recommendation is sufficient to recover appropriate pretax revenue;⁹ and
- The rates as adjusted are just and reasonable.¹⁰

Therefore, the Commission will reject the pending tariff, and direct the Company to file a tariff with ISRS rates authorized in accordance with Staff's Recommendation as set forth below.

THE COMMISSION ORDERS THAT:

1. The tariff sheet to which the Commission assigned tracking number JG-2012-0207, is rejected. The specific tariff sheet rejected is:

**P.S.C. MO. No. 1
13th Revised Sheet No. 10, Canceling 12th Revised Sheet No. 10**

2. The Commission authorizes the Company to impose an infrastructure system replacement surcharge ("ISRS") as set forth in the Staff Recommendation. Such ISRS shall include ISRS surcharge revenues, in the incremental amount of annual pre-tax revenues, of \$1,393,096, which cumulatively generates \$4,701,158 annually. The Company shall set an ISRS rate for each customer class as set forth in the *Staff Response to Order Requiring the Filing of Staff Report*, Appendix B.

3. No later than February 13, 2012, the Company shall file any revised tariff sheets ("tariff") necessary to collect an ISRS as described in paragraph 2, and the Commission's staff shall file a recommendation as to such tariff no later than February 23, 2012.

4. This file shall remain open for the filings described in paragraph 3 and the Commission's final decision.

⁹ *Id.*

¹⁰ Section 393.150, RSMo 2000.

5. This order shall become effective on February 3, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett and Kenney, CC., concur;
Stoll, C., not participating.

Jordan, Senior Regulatory Law Judge