

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

In the Matter of the Application of)
Laclede Gas Company to Change its) Case No. GO-2017-0201
Infrastructure System Replacement)
Surcharge in its Missouri Gas Energy)
Service Territory)

In the Matter of the Application of)
Laclede Gas Company to Change its) Case No. GO-2017-0202
Infrastructure System Replacement)
Surcharge in its Laclede Gas Service)
Territory)

OPC OBJECTION AND REQUEST FOR A HEARING

COMES NOW the Office of the Public Counsel (“OPC”) and for its Objection and Request for a Hearing, states:

1. The Commission’s February 14, 2017 order established April 4, 2017 as the date by which OPC would need to object or request a hearing in this matter.

2. OPC renews its objection to including costs incurred replacing plastic mains and service lines that are not worn out or in deteriorated condition. The ISRS requires eligible projects to be those replacing infrastructure that is worn out or in deteriorated condition. Section 393.1009(5)(a) RSMo. The plastic pipe replaced by Laclede does not satisfy this requirement because the replaced mains and service lines were installed recently and are not worn out or deteriorated.

3. Work order documents provided by Laclede Gas show that of the replacement work orders that included plastic replacements, approximately twenty-two percent (22%) of the mains and service lines being replaced were plastic that was not

worn out or deteriorated. In several work orders, the *majority* of the mains or service lines being replaced were plastic that was not worn out or deteriorated as required.¹ For Missouri Gas Energy (“MGE”) the number was lower - of the replacement work orders that included plastic replacements, approximately ten percent (10%) of the replaced mains and service lines were plastic that was not worn out or deteriorated.

4. OPC hereby moves the Commission to reject these costs, or in the alternative, hold a hearing to address this issue.

5. OPC raised this issue in Laclede’s last ISRS petitions, and appealed the Commission’s Report and Order to the Court of Appeals. That appeal is currently pending in Western District Court of Appeals Case No. WD80544. Until that issue is resolved, OPC raises this challenge to preserve the customer’s rights to refunds for the present ISRS should OPC prevail in the Court of Appeals in Case No. WD80544.

6. OPC has discussed this issue with Laclede and the possibility of a stipulation that would preserve OPC’s issue without the need for an evidentiary hearing. Although no agreement has been reached, OPC is hopeful a resolution can be reached between the parties to avoid the need for an evidentiary hearing.

7. In addition, OPC reserves the right to respond to the Staff’s Recommendations on Laclede’s ISRS petitions and raise further issues and objections, if necessary, regarding the Staff’s Recommendations and the Staff’s audit.

WHEREFORE, the Office of the Public Counsel respectfully objects to Laclede’s ISRS petitions and requests the objectionable costs be removed from the ISRS, or in the alternative, these cases been set for a joint evidentiary hearing.

¹ See Work Order Nos. 900879, 900882, 901191, and 901201.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 4th day of April 2017.

/s/ Marc Poston
