

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 18<sup>th</sup> day of  
September, 2008.

In the Matter of the Application of Missouri Gas  
Energy, a division of Southern Union Company,  
for approval to change its infrastructure system  
replacement surcharge.

)  
) **Case No. GO-2009-0009**  
) **Tariff File No. YG-2009-0008**  
)

**ORDER APPROVING ADJUSTED ISRS RATES**

Issue Date: September 18, 2008

Effective Date: September 28, 2008

On July 2, 2008, Missouri Gas Energy, a division of Southern Union Company (hereafter "MGE"), filed an application with the Missouri Public Service Commission pursuant to Sections 393.1009, 393.1012, and 393.1015, RSMo Cum. Supp. 2007, requesting that the Commission authorize it to establish an Infrastructure System Replacement Surcharge. The Commission suspended the tariffs that MGE filed until October 30, 2008.

In its ISRS application, MGE seeks to adjust its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning October 1, 2007, through May 31, 2008. The specific infrastructure system replacements for which MGE seeks ISRS recognition are set forth in Appendices A, B, C and D to its application.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of MGE's ISRS filing. Therefore, on July 2, 2008, the Commission directed that notice of the filing be mailed to the county commission of the counties served by MGE. It also directed that

notice be given to the media serving the area served by MGE 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 July 22. The Commission did not receive any applications to intervene.

Section 393.1015.2(2), RSMo, requires the Staff of the Commission to file a report regarding MGE's ISRS application no later than 60 days after it was filed. Staff filed its recommendation on August 29, advising the Commission to approve an ISRS that is less than the amount MGE requested.

After MGE and Staff exchanged pleadings, the Commission scheduled a prehearing conference for September 15. The following day, MGE and Staff filed a Stipulation and Agreement.

The Stipulation and Agreement stated that MGE should be authorized to file tariffs resulting in an incremental revenue requirement annual increase for the pending ISRS Application of \$1,445,763 based on ISRS plant placed in service during the period of October 1, 2007, through May 31, 2008. The parties also agreed that MGE shall include an ISRS rate for each customer class as show in Appendix A of the Stipulation and Agreement.

The Office of the Public Counsel did not sign the Stipulation and Agreement; therefore, the Stipulation and Agreement is non-unanimous. Commission Rule 4 CSR 240-2.115(2) governs no--unanimous stipulations and agreements filed with the Commission, and states that non-signatories have seven days to respond. However, in light of MGE's and Staff's statement that OPC does not object to the Stipulation and

Agreement, and does not request a hearing, the Commission will treat the Stipulation and Agreement as if it were unanimous.

Based on MGE's application, Staff's report and the Stipulation and Agreement, the Commission concludes that MGE should be permitted to adjust its ISRS rates as MGE and Staff agreed upon. The Commission will reject MGE's tariff sheets currently pending in this case, and will authorize MGE to file tariff sheets as agreed upon by MGE and Staff in their Stipulation and Agreement.

**IT IS ORDERED THAT:**

1. Missouri Gas Energy, a division of Southern Union Company, is authorized to adjust its Infrastructure System Replacement Surcharge rates in the manner described in the Stipulation and Agreement filed on September 16, 2008.

2. The tariff sheet filed by Missouri Gas Energy, a division of Southern Union Company, on July 2, 2008, and assigned tariff number YG-2009-0008, is rejected. The tariff rejected is:

**P.S.C. MO. No. 1**

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**Eighth Revised Sheet No. 10, Canceling Seventh Revised Sheet No. 10**

3. Missouri Gas Energy, a division of Southern Union Company is authorized to file a tariff sheet, or tariff sheets, as it and the Staff of the Commission agreed upon in their Stipulation and Agreement filed on September 16, 2008.

4. This order shall become effective on September 28, 2008.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

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

Pridgin, Senior Regulatory Law Judge