

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 4th day of
February, 2009.

In the Matter of the Verified Application and Petition)	<u>Case No. GO-2009-0221</u>
of Laclede Gas Company to Change its Infrastructure)	Tariff No. JG-2009-0397
System Replacement Surcharge.)	Tariff No. YG-2009-0534

**ORDER APPROVING ISRS RATES AND IMPLEMENTING TARIFF
AND GRANTING EXPEDITED TREATMENT**

Issue Date: February 4, 2009

Effective Date: February 6, 2009

On November 21, 2008, Laclede Gas Company filed an application and petition to change its infrastructure system replacement surcharge (ISRS) rate schedule to recover ISRS-eligible costs incurred from April 1, 2008, through September 30, 2008. The specific infrastructure system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

Laclede's request was accompanied by an implementing tariff. The Commission suspended that tariff until March 21, 2009.

Section 393.1015.1(2), RSMo, requires the Commission to publish notice of Laclede's ISRS filing. Therefore, on November 26, 2008, the Commission directed that notice of the filing be mailed to the county commission of the counties served by Laclede, as well as 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 addition, the Commission directed notice to

each party in Laclede's most recent rate case. In the same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than December 16, 2008. No party requested intervention.

Section 393.1015.2(2), RSMo, allows the Staff of the Commission to file a report regarding Laclede's ISRS application no later than 60 days after it was filed. Staff filed its recommendation on January 20, 2009, advising the Commission to approve Laclede's application with certain modifications. Staff recommended that the proposed ISRS rates include ISRS plant placed in service through November 2008 and depreciation and deferred income tax reserves which reflect the implementation date of the ISRS charge. The overall annual revenue requirement recommended by Staff is \$5,620,470. This figure is a composite of the current case plus the continuing revenue recovery from two previous ISRS cases (GO-2008-0155 and GO-2008-0351) with \$2,089,404 being the incremental increase attributed to the current case. Staff and the Company both agree that in future ISRS cases, Laclede will not seek recovery of any additional ISRS-eligible plant put into service prior to November 30, 2008.

Laclede responded to Staff's recommendation on January 21, 2009, with a motion asking the Commission to approve its ISRS and a newly filed implementing tariff effective no later than February 4, 2009.

On January 21, 2009, the Commission ordered its Staff to provide a recommendation regarding the tariff and setting a date for any party wishing to respond to Laclede's proposed tariff to do so no later than January 26. Staff filed its response stating that it "does not oppose the Motion. . ."; however, Staff goes on to say that it believes Laclede's request for expedited treatment has failed to adequately state the harm that will

be avoided by expedited treatment. Public Counsel filed a response indicating that it had not had sufficient time to review Staff's recommendation or the tariffs and would need additional time to do so. In addition, without stating that it had an objection to the motion for expedited treatment, Public Counsel pointed out what it believed were deficiencies in the motion.

Having received a request for additional time to review the filings, the Commission directed that any responses to the January 21, 2009 tariff should be filed no later than January 30, 2009. Staff filed an additional response saying that the January 21, 2009 tariff filing was in compliance with the recommendations made by Staff. Public Counsel filed a response stating that it took no position at this time on the tariff proposal and would reserve its opinion for the review of the tariffs in the company's next general rate case.

Based on Laclede's application, tariff sheets, and Staff's report and recommendations regarding that application and tariff sheets, the Commission concludes that Laclede shall be permitted to collect ISRS rates in the amount as set out in Attachment B to Staff's Memorandum filed January 20, 2009.

The Commission further finds that: 1) the parties to Laclede's last rate case, Case No. GR-2007-0208, agreed to "work toward implementation of the Company's ISRS filings as soon as reasonably possible;" 2) Laclede made an adequate statement of the harm to be avoided by the grant of expedited treatment when it referred to the intent of the parties in the last rate case to implement the tariffs as soon as practicable; 3) the January 21, 2009 tariff filing was made only to comply with the recommendations of Staff; 4) Staff has stated that the January 21, 2009 tariff filing complies with its recommendations;

5) no party has objected to the contents of the tariff filing; and 6) the original filing has been filed at the Commission for more than thirty days. In addition, on February 3, 2009, Laclede revised its request for expedited treatment. Laclede now asks that its tariff become effective on February 6, 2009. Laclede also stated that Staff does not oppose the expedited effective date and Public Counsel takes no position with regard to the effective date. For these reasons, the Commission determines that good cause exists to approve the November 21, 2008 filing on less than thirty-days notice. Therefore, the Commission shall reject the original tariff filing and approve the January 21, 2009 tariff filing to become effective on less than thirty-days notice as set out below.

THE COMMISSION ORDERS THAT:

1. Laclede Gas Company is authorized to collect an additional \$2,089,404 in its Infrastructure System Replacement Surcharge with the total composite surcharge being sufficient to recover appropriate annual pre-tax revenues in the amount of \$5,620,470.
2. The tariff sheet filed by Laclede Gas Company, on November 21, 2008, and assigned tariff number JG-2009-0397 is rejected.
3. The motion for expedited treatment filed by Laclede Gas Company on January 21, 2009, as revised on February 3, 2009, is granted.
4. The tariff sheet filed by Laclede Gas Company, on January 21, 2009, and assigned tariff number YG-2009-0534 is approved, effective February 6, 2009. The tariff sheet approved is:

P.S.C. MO. No. 5 Consolidated
Twelfth Revised Sheet No. 12, Cancelling Eleventh Revised Sheet No. 12

5. This order shall become effective on February 6, 2009.

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)

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

Dippell, Deputy Chief Regulatory Law Judge