

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 6th day
of July, 2011.

In the Matter of the Verified Application and)	<u>File No. GO-2011-0361</u>
Petition of Laclede Gas Company to Change its)	Tariff File No. YG-2011-0556
Infrastructure System Replacement Surcharge)	Tariff File No. YG-2012-0007

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

Issue Date: July 6, 2011

Effective Date: July 8, 2011

On May 2, 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. The Commission has suspended that tariff until August 30.

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 December 1, 2010, through March 31, 2011, including pro forma ISRS costs updated through May 31, 2011. The specific infrastructure

¹ All calendar references are to 2009 unless otherwise indicated.

system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Laclede's ISRS filing. Therefore, on May 3, 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 May 23. 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 June 27, advising the Commission to reject the May 2 tariff sheets. Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$2,339,633. 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 \$2,319,935.

Laclede responded on June 27, stating that it agreed with and accepted Staff's recommendation. Laclede filed a substitute tariff to reflect the \$2,319,935 incremental ISRS revenue requirement that it and Staff agreed upon. The tariff sheet bears an effective date of July 28. But it was accompanied by a Motion for Expedited Treatment, asking that the Commission approve the tariff sheet no later than July 8. Staff filed its Recommendation on July 5, stating that the substitute tariff complies with its

Recommendation, and further stating that it has no objection to the tariff taking effect on July 8.

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 June 27, 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 July 8. Laclede and Staff state, and the Commission finds, that this case was not likely to be a contested case.

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

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).

3. Commission Rule 4 CSR 240-4.020 is waived.
4. The tariff sheet filed by Laclede Gas Company on May 2, 2011, assigned tariff number YG-2011-0556, is rejected.
5. The tariff sheet filed by Laclede Gas Company, on June 27, 2011, as amended by the substitute tariff sheet filed on July 5, 2011, and assigned tariff number YG-2012-0007, is approved, effective on July 8, 2011. The tariff sheet approved is:

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

3. This order shall become effective on July 8, 2011.
4. This case shall be closed on July 9, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

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

Pridgin, Senior Regulatory Law Judge