

MATT BLUNT
Secretary of State
Administrative Rules Division
RULE TRANSMITTAL

*Administrative Rules Stamp

RECEIVED

SEP 19 2003

SECRETARY OF STATE
ADMINISTRATIVE RULES

COPY

A "SEPARATE" rule transmittal sheet must be used for EACH individual rulemaking.

A. Rule Number 4 CSR 240-3.265
Diskette File Name Rule 240-3.265 Microsoft Word
Name of Person to call with questions about this rule:
Content Warren Wood Phone 573-751-2978 FAX 573-526-0145
Data Entry Susan L. Sundermeyer Phone 573-751-4335 FAX 573-751-9285
Email Address warrenwood@psc.state.mo.us
Interagency Mailing Address Governor Office Building, 200 Madison St., 8th Floor, Jefferson City, MO
Statutory Authority 393.140, 386.250, 393.1015.11, HB208 Current RSMo date 2000
Date Filed With the Joint Committee on Administrative Rules Exempt per Sections 536.024 and 536.037, RSMo 2000, and Executive Order No. 97-97 (June 27, 1997)

B. CHECK, IF INCLUDED:

- | | |
|--|---|
| <input checked="" type="checkbox"/> This transmittal completed | <input type="checkbox"/> Incorporation by reference materials, if any |
| <input checked="" type="checkbox"/> Cover letter | <input type="checkbox"/> Authority with history of the rule |
| <input checked="" type="checkbox"/> Affidavit | <input type="checkbox"/> Public cost |
| <input type="checkbox"/> Forms, number of pages <u> </u> | <input checked="" type="checkbox"/> Private cost |
| <input type="checkbox"/> Fiscal notes | <input type="checkbox"/> Hearing and comment period |

C. RULEMAKING ACTION TO BE TAKEN

- ☐ Emergency Rulemaking, (check one) ☐ rule ☐ amendment ☐ rescission ☐ termination
MUST include effective date
- ☒ Proposed Rulemaking (check one) ☒ rule ☐ amendment ☐ rescission
☐ Order of Rulemaking (check one) ☐ rule ☐ amendment ☐ rescission ☐ termination
MUST complete page 2 of this transmittal
- ☐ Withdrawal (check one) ☐ rule ☐ amendment ☐ rescission ☐ emergency
- ☐ Rule action notice
- ☐ In addition
- ☐ Rule under consideration

D. SPECIFIC INSTRUCTIONS: Please indicate any special instructions (e.g., publication date preference, identify material to be incorporated by reference, or forms included herein).

Publish in November 3, 2003 Register

JCAR Stamp

RULE TRANSMITTAL (PAGE 2)

E. ORDER OF RULEMAKING: Rule Number _____

1a. Effective Date for the Order

☐ Statutory 30 days
Specific date _____

1b. Does the Order of Rulemaking contain changes to the rule text?

☐ YES ☐ NO

1c. If the answer is YES, please complete section F. If the answer is NO, **STOP** here.

F. Please provide a complete list of the changes in the rule text for the order of rulemaking, indicating the specific section, subsection, paragraph, subparagraph, part, etc., where each change is found. It is especially important to identify the parts of the rule that are being deleted in this order of rulemaking. This is not a reprinting of your order, but an explanation of what sections, subsections, etc. have been changed since the original proposed rule was filed.

(Start text here. If text continues to a third page, insert a continuous section break and, in **section 3**, delete the footer text. DO NOT delete the header, however.)

NOTE: ALL changes **MUST** be specified here in order for those changes to be made in the rule as published in the *Missouri Register* and the *Code of State Regulations*.

Add additional sheet(s), if more space is needed.



ROBERT J. QUINN, JR.
Executive Director

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENGER
Director, Utility Services

DONNA M. PRENGER
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

September 19, 2003

Hon. Matt Blunt
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, MO 65101

Re: Small Business Impact of Proposed Rule 4 CSR 240-3.265
Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges

Dear Mr. Blunt:

Executive Order 03-15 requires state agencies to determine whether implementation of a proposed rule making will have direct economic impact on small businesses. Because utility action pursuant to the rule is voluntary, it does not appear that small natural gas utilities are "affected small businesses" and therefore no analysis is required by the Executive Order. Further, the rule substantially codifies an existing state statute, and the proposed rule may be exempt from the impact statement requirement pursuant to section 3 of the Executive Order. Nevertheless, the Commission has completed a "small business analysis" of the above referenced proposed rule. The following statement contains the Commission's determinations as required by the Executive Order:

(1) There are two natural gas utilities that may have fewer than 50 (fifty) employees.

(2) One small natural gas utility estimates that it would cost \$30,000 over three years to comply with the rule, and the other indicates it would have one time costs of \$7,500, and \$1,500 per year thereafter. The Commission does not expect either company to apply unless its increase in revenue exceeds the cost of complying with the rule.

September 19, 2003

Hon. Matt Blunt

Page 2

(3) As noted above, the costs of additional record keeping, reporting, or other costs would be less than \$10,000 per year, and are not expected to exceed increased revenues.

(4) There are no additional benefits to the Commission from the proposed rule, and additional Commission expenses have been estimated at \$230,000 per year for implementation of the rule for all natural gas utilities.

(5) The record keeping costs are largely driven by the statutory requirements. The Commission has considered, and will continue to consider through the rulemaking process, accommodations that can be made in the implementation of the rule for the small natural gas utilities.

(6) The Commission circulated a draft of the rules to the small natural gas utilities, and sought their input on the possible fiscal impact of the proposed rule.

(7) The Commission is not aware of any comparable federal, state, or county standards.

Please feel free to contact Warren Wood at 751-2978 if you have any questions.

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Public Service Commission
State of Missouri

cc: Joint Committee on Administrative Rules
Missouri Small Business Regulatory Fairness Board



Commissioners

KELVIN L. SIMMONS
Chair

CONNIE MURRAY

STEVE GAW

BRYAN FORBIS

ROBERT M. CLAYTON III

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>
August 18, 2003

ROBERT J. QUINN, JR.
Executive Director

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. PRENGER
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Mr. Joseph L. Driskill, Director
Department of Economic Development
301 West High Street
Jefferson City, Missouri 65101

**RE: Affidavit for Proposed Rule 4 CSR 240-3.265 – Natural Gas Utility Petitions
for Infrastructure Replacement Surcharges**

Dear Mr. Driskill:

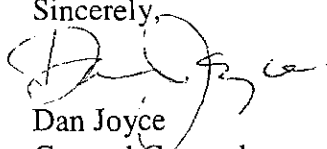
The Public Service Commission proposes to publish Proposed Rule 4 CSR 240-3.265 – Natural Gas Utility Petitions for Infrastructure Replacement Surcharges. Please find enclosed:

- (1) an affidavit regarding public entity costs for proposed rule 4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure Replacement Surcharges;
- (2) a copy of the proposed rule;
- (3) a copy of a "takings analysis" required by Executive Order 93-13 and a "small business economic impact" statement complying with Executive Order 96-18.

We are planning to file the proposed rule with the Secretary of State on September 2, 2003 for publication in the in the October 1, 2003 Missouri Register. To do so will require that our Commission authorize the filing the week of August 25, 2003. As a result, we request that the affidavit be reviewed and completed no later than August 29, 2003. When the affidavit is ready, please contact me at 751-2481 and I will arrange to pick it up.

If you have any questions, please contact me at 751-2481. Thank you.

Sincerely,

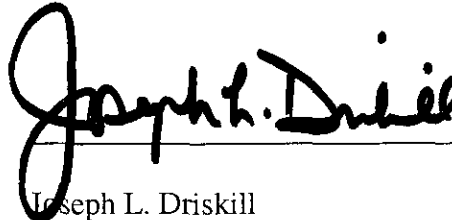

Dan Joyce
General Counsel

Attachments: Affidavit (Public Entity)
Proposed Rule

AFFIDAVIT

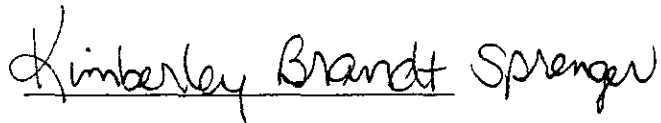
STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Joseph L. Driskill, Director of the Department of Economic Development, first being duly sworn on my oath state that it is my opinion that the cost of **Proposed Rule 4 CSR 240 – 3.265 – Natural Gas Utility Petitions for Infrastructure Replacement Surcharges**, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.



Joseph L. Driskill
DIRECTOR
Department of Economic Development

Subscribed and sworn to before me this 10th day of September, 2003. I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on April 29, 2006.



Notary Public

KIMBERLEY BRANDT SPRENGER
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. APR. 29, 2006

**Title 4 – DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 3 – Filing and Reporting Requirements**

COPY RECEIVED
SEP 19 2003
SECRETARY OF STATE
ADMINISTRATIVE RULES

PROPOSED RULE

4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges

PURPOSE: This rule sets forth the definitions, parameters and procedures relevant to the filing and processing of petitions pertaining to an infrastructure system replacement surcharge (ISRS), including the information that a natural gas utility must provide when it files a petition and associated rate schedules to establish, change or reconcile an ISRS.

(1) As used in this rule, the following terms mean:

(A) Appropriate pretax revenues - the revenues necessary to:

1. Produce net operating income equal to the natural gas utility's weighted cost of capital multiplied by the net original cost of eligible infrastructure system replacements, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that are included in a currently effective ISRS;
2. Recover state, federal, and local income or excise taxes applicable to such income; and
3. Recover all other ISRS costs;

(B) Eligible infrastructure system replacements – natural gas utility plant projects that:

1. Replace or extend the useful life of existing infrastructure;
2. Are in service and used and useful;
3. Do not increase revenues by directly connecting the infrastructure replacement to new customers; and
4. Were not included in the natural gas utility's rate base in its most recent general rate case.

(C) Natural gas utility – a gas corporation as defined in section 386.020, RSMo;

(D) ISRS - infrastructure system replacement surcharge;

(E) ISRS costs - depreciation expenses, and property taxes that will be due within twelve months of the ISRS filing;

(F) ISRS revenues - revenues produced through an ISRS, exclusive of revenues from all other rates and charges;

(G) Natural gas utility plant projects - projects that consist only of the following:

1. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with state or federal safety requirements as replacements for existing facilities that have worn out or are in deteriorated condition;
2. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects extending the useful life, or enhancing the integrity of pipeline system components undertaken to comply with state or federal safety requirements; and
3. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state or another entity having the power of eminent domain; provided that the costs related to such projects have not been reimbursed to the natural gas utility.

(2) Pursuant to the provisions of this rule and sections 393.1009 to 393.1015, RSMo, a natural gas utility may file a petition and proposed rate schedules with the commission to establish or change ISRS rate schedules that will allow for the adjustment of its rates and charges to provide for the recovery of costs for eligible infrastructure system replacements; provided that the ISRS, on an annualized basis, must

produce ISRS revenues of at least the lesser of one half of one percent of the natural gas utility's base revenue level approved by the commission in the natural gas utility's most recent general rate case proceeding or one million dollars, but not in excess of ten percent of the subject utility's base revenue level approved by the commission in the utility's most recent general rate proceeding.

(3) An ISRS, and any future changes thereto, shall be calculated and implemented in accordance with the provisions of this rule and sections 393.1009 to 393.1015, RSMo.

(4) ISRS revenues shall be subject to refund based upon a finding and order of the commission, to the extent provided in subsections (5) and (8) of section 393.1015, RSMo.

(5) The commission shall not approve an ISRS for a natural gas utility that has not had a general rate proceeding decided or dismissed by issuance of a commission order within the past three years, unless that utility has filed for or is the subject of a new general rate proceeding.

(6) In no event shall a natural gas utility collect an ISRS for a period exceeding three years unless it has filed for or is the subject of a new general rate proceeding; provided that the ISRS may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.

(7) Upon the filing of a petition seeking to establish or change an ISRS, the commission will provide notice of the filing.

(8) The natural gas utility shall provide the following notices to its customers:

(A) An initial, one-time notice to all potentially affected customers, such notice being sent to customers no later than when customers will receive their first bill that includes an ISRS, explaining the subject utility's infrastructure system replacement program, explaining how it will calculate its ISRS, explaining how its ISRS will be applied to its various customer classes and identifying the statutory authority under which it is implementing its ISRS;

(B) An annual notice to affected customers each year that an ISRS is in effect explaining the continuation of its infrastructure system replacement program and the resulting ISRS; and

(C) A line-item surcharge description on all affected customer bills, which will identify the existence and amount of the ISRS on the bills.

(9) Within twenty (20) days of the natural gas utility's filing of a petition to establish an ISRS, the subject utility shall submit the following to the commission for approval:

(A) An example of the initial, one-time notice required by subsection (8)(A) of this rule;

(B) An example of the annual notice required by subsection (8)(B) of this rule; and

(C) An example customer bill showing how the ISRS will be separately identified on affected customers' bills in accordance with subsection (8)(C) of this rule.

(10) When a natural gas utility files a petition pursuant to the provisions of this rule, the commission shall conduct an examination of the proposed ISRS.

(11) The staff of the commission may examine information of the natural gas utility to confirm that the underlying costs are in accordance with the provisions of this rule and sections 393.1009 to 393.1015, RSMo, and to confirm proper calculation of the proposed ISRS, and may submit a report regarding its examination to the commission not later than sixty days after the natural gas utility files its petition. The staff shall not examine any other revenue requirement or ratemaking issues in its consideration of the petition or associated proposed rate schedules.

(12) The commission may hold a hearing on the petition and the associated proposed rate schedules and shall issue an order to become effective not later than one hundred twenty days after the natural gas utility files the petition.

(13) If the commission finds that a petition complies with the requirements of this rule and sections 393.1009 to 393.1015, RSMo, the commission shall enter an order authorizing the natural gas utility to impose an ISRS that is sufficient to recover appropriate pretax revenues, as determined by the commission.

(14) A natural gas utility may effectuate a change in an ISRS no more often than two times during every twelve-month period, with the first such period beginning on the effective date of the rate schedules that establish an initial ISRS. For the purposes of this section, an initial ISRS is the first ISRS granted to the subject utility or an ISRS established after an ISRS is reset to zero pursuant to the provisions of section (16) of this rule.

(15) At the end of each twelve-month period that an ISRS is in effect, the natural gas utility shall reconcile the differences between the revenues resulting from the ISRS and the appropriate pretax revenues as found by the commission for that period and shall submit the reconciliation and proposed ISRS rate schedule revisions to the commission for approval to recover or refund the difference, as appropriate.

(16) A natural gas utility that has implemented an ISRS shall file revised ISRS rate schedules to reset the ISRS to zero when new base rates and charges become effective following a commission order establishing customer rates in a general rate proceeding that incorporates eligible costs previously reflected in an ISRS into the subject utility's base rates.

(17) Upon the inclusion of eligible costs previously reflected in an ISRS into a natural gas utility's base rates, the subject utility shall immediately thereafter reconcile any previously unreconciled ISRS revenues as necessary to ensure that revenues resulting from the ISRS match, as closely as possible, the appropriate pretax revenues as found by the commission for that period.

(18) At the time that a natural gas utility files a petition with the commission seeking to establish, change or reconcile an ISRS, it shall submit proposed ISRS rate schedules and its supporting documentation regarding the calculation of the proposed ISRS with the petition, and shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules and its supporting documentation. The subject utility's supporting documentation shall include workpapers showing the calculation of the proposed ISRS, and shall include, at a minimum, the following information:

(A) The state, federal, and local income or excise tax rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those tax rates;

(B) The regulatory capital structure used in calculating the proposed ISRS, and an explanation of the source of and the basis for using that capital structure;

(C) The cost rates for debt and preferred stock used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those cost rates;

(D) The cost of common equity used in calculating the proposed ISRS, and an explanation of the source of and the basis for using that equity cost;

(E) The property tax rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those tax rates;

(F) The depreciation rates used in calculating the proposed ISRS, and an explanation of the source of and the basis for using those depreciation rates;

(G) An explanation of how long any infrastructure that was replaced associated with the ISRS had been installed when it was removed or abandoned;

(H) The applicable customer class billing units used in calculating the proposed ISRS, and an explanation of source of and the basis for using those billing units;

(I) An explanation of how the proposed ISRS is being proportioned between affected customer classes, if applicable;

(J) An explanation of the efforts of the natural gas utility to quantify and to seek reimbursement of any costs incurred for relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain, which could offset the requested ISRS revenues;

(K) An explanation of how the infrastructure replacement projects associated with the ISRS are being funded, including the amount of any debt and the interest rate on that debt;

(L) An explanation of the request for proposal (RFP) process, or the reasons for not using an RFP process, used to establish what entity performed the infrastructure replacement projects associated with the proposed ISRS;

(M) An explanation of how the infrastructure replacement projects associated with the ISRS do not increase revenues by increasing pipeline capacity for service of, or interconnection of, new customers;

(N) An explanation of when the infrastructure replacement projects associated with the ISRS were completed and became used and useful;

(O) For each project for which recovery is sought, the net original cost of the infrastructure system replacements (total cost less net book value of any related facility retirements), the amount of related ISRS costs that are eligible for recovery during the period in which the ISRS will be in effect, and a breakdown of those costs identifying which of the following project categories apply and the specific requirements being satisfied by the infrastructure replacements for each:

1. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with state safety requirements;

2. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with federal safety requirements;

3. Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to replace existing facilities that have worn out or are in deteriorated condition;

4. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects undertaken to comply with state safety requirements;

5. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects undertaken to comply with federal safety requirements;

6. Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects extending the useful life, or enhancing the integrity of pipeline system components;

7. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States;

8. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of this state;

9. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of a political subdivision of this state; and

10. Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of an entity other than the United States, this state, or a political subdivision of this state, having the power of eminent domain;

(P) For each project for which recovery is sought, the commission order, if any, requiring the project; a description of the project; the location of the project; what portions of the project are completed, used and useful; what portions of the project are still to be completed; and the beginning and planned end date of the project.

(19) In addition to the information required by section (18) of this rule, the natural gas utility shall also provide the following information when it files a petition with the commission seeking to establish, change or reconcile an ISRS:

(A) A description of all information posted on the subject utility's website regarding the infrastructure system replacement surcharge and related infrastructure system replacement projects; and

(B) A description of all instructions provided to personnel at the subject utility's call center regarding how those personnel should respond to calls pertaining to the ISRS.

AUTHORITY: sections 386.250 and 393.140, RSMo 2000, and section 393.1015.11, HB208, effective August 28, 2003.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: This proposed rule is expected to cost private entities approximately three hundred twenty-nine thousand, two hundred thirty dollars (\$329,230) in the first year, and one hundred thirty-eight thousand, six hundred fifty dollars (\$138,650) each year thereafter, for the life of the rule. These costs may vary with inflation. A detailed fiscal note, which estimates the cost of compliance with this rule, has been filed with the secretary of state.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Dale Hardy Roberts, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the Commission's offices on or before December 4, 2003, and should include a reference to Commission Case No. GX-2004-0090. If comments are submitted via a paper filing, an original and eight (8) copies of the comments are required. Comments may also be submitted via a filing using the Commission's electronic filing and information system at <<http://www.psc.state.mo.us/efis.asp>>. A public hearing regarding this proposed rule is scheduled for December 11, 2003, at 10:00 a.m. in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

FISCAL NOTE PRIVATE COST

I. RULE NUMBER

Rule Number and Name:	4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Seven (7) Natural Gas Utilities	Missouri Public Service Commission Regulated Natural Gas Utilities	\$197,177 to \$202,177 per year over the first 3 years of the rule.

III. WORKSHEET

Utility	Initial Implementation Cost	Ongoing Annual Cost
Laclede Gas Company	\$80,000 plus \$75,000	\$6,400 plus \$2,000
Missouri Gas Energy	\$50,000 plus \$6,000	\$50,000 for multi-page bill plus \$3,000
AmerenUE	\$40,000 plus \$2,750, \$1,100 & \$880	\$40,000
Aquila MPS and L&P	\$1,000 Initially & Minimal After That	\$1,000
Atmos Energy	\$35,000	\$35,000
Southern Missouri Gas	\$15,000 to \$30,000 (includes yr 2 and 3)	In Initial Implementation Cost
Fidelity Natural Gas	\$7,500	\$1,250

Totals - Low Range	\$314,230	\$138,650
Totals - High Range	\$329,230	\$138,650

IV. ASSUMPTIONS

The conclusions in this fiscal note are based on letter and e-mail responses received from the affected business entities identified above. The responding entities generally noted that they may have additional cost associated with adoption of the proposed rule but they did not know the level of these additional costs at the time they provided the responses used in this fiscal note. The dollar amounts in section III above detail initial implementation cost and ongoing annual cost. The total dollar amounts for compliance with the rule in the first three (3) years are added together and divided by three (3) to arrive at the dollar amounts given in section II above.

Proposed Rule 3.265 - Natural Gas ISRS Private Cost Estimate

Utility	Initial Implementation Cost	Ongoing Annual Cost
Laclede Gas Company	\$80,000 plus \$75,000	\$6,400 plus \$2,000
Missouri Gas Energy	\$50,000 plus \$6,000	\$50,000 for multi-page bill plus \$3,000
AmerenUE	\$40,000 plus \$2,750, \$1,100 & \$880	\$40,000
Aquila MPS and L&P	\$1,000 Initially & Minimal After That	\$1,000
Atmos Energy	\$35,000	\$35,000
Southern Missouri Gas	\$15,000 to \$30,000 (includes yr 2 and 3)	In Initial Implementation Cost
Fidelity Natural Gas	\$7,500	\$1,250
Totals - Low Range	\$314,230	\$138,650
Totals - High Range	\$329,230	\$138,650

\$197,177
\$202,177

155000	8400	171800	\$57,267	
56000	53000	162000	\$54,000	
44730	40000	124730	\$41,577	
1000	1000	3000	\$1,000	
35000	35000	105000	\$35,000	
15000	0	15000	\$5,000	
7500	1250	10000	\$3,333	\$197,177
155000	8400	171800	\$57,267	
56000	53000	162000	\$54,000	
44730	40000	124730	\$41,577	
1000	1000	3000	\$1,000	
35000	35000	105000	\$35,000	
30000	0	30000	\$10,000	
7500	1250	10000	\$3,333	\$202,177

Rule Number and Name:	4 CSR 240-3.265 Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges
Type of Rulemaking:	Proposed Rule

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Seven (7) Natural Gas Utilities	Missouri Public Service Commission Regulated Natural Gas Utilities	\$197,177 to \$202,177 per year over the first 3 years of the rule.