

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

| | | |
|---|---|-----------------------|
| In the Matter of the Verified Application and |) | |
| Petition of Laclede Gas Company to Change its |) | Case No. GO-2007-0370 |
| Infrastructure System Replacement Surcharge |) | |

RESPONSE TO ORDER DIRECTING FILING

COMES NOW Laclede Gas Company (“Laclede” or "Company"), and files this response to the Commission’s Order Directing Filing (the “Order”), issued on April 24, 2007, in the referenced case, and in support thereof states as follows:

1. The Order requires Laclede to address Commission Rule 4 CSR 240-3.265(9) regarding proposed customer notices. Rule 3.265(9) requires natural gas utilities that are filing a petition to establish an ISRS to file with the Commission proposed examples of (i) an initial customer notice, (ii) an annual customer notice, and (iii) a customer bill.

2. Laclede last filed a petition to establish an ISRS on March 31, 2006, in Case No. GO-2006-0377. On April 20, 2006, Laclede filed its Request for Approval of Customer Notices and attached the three examples, as required above. On June 8, 2006, the Commission issued its Order approving the ISRS and the customer notices.

3. Since establishing its ISRS, Laclede has now twice filed to change it. Laclede’s first application to change its ISRS was approved by the Commission on December 28, 2006, in Case No. GO-2007-0177. Laclede’s second application to change its ISRS was filed on March 30, 2007, in this docket.

4. In accordance with the Commission's June 8, 2006 Order in Case No. GO-2006-0377 approving customer notices, the initial customer notices were printed on bills that first included the ISRS, and mailed to Laclede's customers during June and July 2006. Laclede intends to send the annual ISRS notice for 2007 as a separate insert with its normal July envelope billing.

5. The customer notices approved by the Commission in Case No. GO-2006-0377 are attached hereto as Attachments I, II and III. These notices, approved at the time Laclede established its ISRS, satisfy the requirements of Commission Rule 3.265(9).

6. In addition, attached hereto as Attachment IV is ISRS information that can currently be found on the Company's website, along with call center instructions pertaining to the ISRS. This information, which was referenced in the application, has been provided directly to Staff and Public Counsel in previous ISRS filings.

WHEREFORE, Laclede Gas Company respectfully requests that the Commission take notice that the attached notices satisfy the requirements of Commission Rule 3.265(9).

Respectfully submitted,

/s/ Rick Zucker

Michael C. Pendergast # 31763
Vice President & Associate General Counsel
Rick E. Zucker #49211
Assistant General Counsel –Regulatory

Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101
(314) 342-0532 (telephone)
(314) 421-1979 (fax)
E-mail:mpendergast@lacledegas.com

ATTORNEYS FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Response was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 1st day of May, 2007 by hand-delivery, fax, electronic mail or by placing a copy of such Application, postage prepaid, in the United States mail.

/s/ Gerry Lynch

Gerry Lynch

ATTACHMENT I

ISRS

Each year Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge may be adjusted periodically, and is being implemented in accordance with Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.

ATTACHMENT II

ISRS

Each year Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge, which is reflected on the front of your bill, may be adjusted periodically, and has been implemented in accordance with Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.

ATTACHMENT III

EXAMPLE CUSTOMER BILL

Laclede Gas Company

DRAWER 2
ST. LOUIS, MO 63171



FIRST-CLASS MAIL
U.S. POSTAGE PAID
POST CARD RATE
PERMIT NO. 735

PRESORTED

SERVICE AT: XXXXXXXXXXXXXXXXXXXX

ACCT NO. 999999-999-2

DEPOSIT 0.00 RATE RG

AVERAGE GAS COST PER THERM .82083 DEGREE DAYS 429

| PRESENT READING | PREVIOUS READING | USAGE (CCF) | BTU FACTOR | THERMS |
|--------------------|---------------------|----------------|------------|--------|
| 1258 | 1230 | 28 | 1.029 | 28.8 |

ACTUAL READING AMOUNT
CURRENT CHARGES 50.18

AMOUNT DUE \$50.18

PAYMENT DUE BY 07-01-06 DELINQUENT AFTER 07-10-06

AMOUNT DUE \$50.18

PAYMENT DUE BY 07-01-06
DELINQUENT AFTER 07-10-06

Dollar Help - Check One!

☐ \$1 ☐ \$2 ☐ \$5

RETURN THIS STUB TO: LACLEDE GAS COMPANY, DRAWER 2, ST. LOUIS, MO 63171

AMOUNT PAID



XXXXXX XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXX
ST LOUIS, MO 63136

9999999920000050186

06455

ATTACHMENT IV

WEBSITE INFORMATION

AND

CALL CENTER INSTRUCTIONS



-
- [Home](#) /
- [Rates & Regulations](#) /
- [ISRS](#)

ISRS

Each year Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge may be adjusted periodically, and is being implemented in accordance with a new law contained in Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.

LACLEDE GAS COMPANY
INTRA-COMPANY CORRESPONDENCE

June 14, 2006

TO: All Customer Relations Employees

RE: Infrastructure System Replacement Surcharge (ISRS)

Effective June 15, 2006, a \$0.22 Infrastructure System Replacement Surcharge (ISRS) will be added to Laclede's residential customer monthly bills. Commercial and Industrial customers ISRS charge can range from \$0.30 to \$27.61. These costs for natural gas pipeline replacements and/or relocations are not currently included in Laclede's rates.

The ISRS covers a portion of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state, and federal public improvement projects and safety requirements.



M. Shillato

LACLEDE GAS COMPANY
INTRA-COMPANY CORRESPONDENCE

June 8, 2004

To: All Customer Relations Employees

Re: Infrastructure System Replacement Surcharge (ISRS)

The Infrastructure System Replacement Surcharge (ISRS) will begin with all meters read after June 10, 2004. June 11, 2004 will be the first day that the ISRS bill stock will be used (see attachment 1). The ISRS bill stock will be used through July 12, 2004. After July 12, 2004, customers will receive a bill insert notice once a year in November that explains the ISRS charge (see attachment 2).

The initial ISRS charge will be implemented as a prorated charge. The exact amount of the ISRS charge can be found under the "DETAIL BILL CALCULATION" screen under NBIL (see attachment 3). (See attachment 4A and 4B for examples of how the bill will look.)

See attachment 5 for a listing of all ISRS rates.

If a customer calls inquiring about the ISRS charge, you can direct them to the information on the back of the bill through July 12, 2004. When customers call after July 12, 2004 or before July 12, 2004 and want to discuss the charge in greater detail, please emphasize the following:

The ISRS covers a portion of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state, and federal public improvement projects and safety requirements.

The filing was made pursuant to a new law that went into effect last year that allows gas utilities like Laclede to adjust their rates twice a year to recover these mandated costs.

None of these mandated costs and projects produce any new revenue for the Company that can be used to offset the costs we are incurring to meet these obligations.

The financial impact of the ISRS will be very modest, about 45 cents a month for residential customers. Larger customers are charged a greater amount.

M. Shillato
M. Shillato

To report a gas odor or other emergency, and for all your billing, service or appliance repair needs, call:

(314) 621-6960 (Toll Calls: 1-800-887-4173)

720 Olive Street, St. Louis, MO 63101

In an emergency, if our customer service lines are busy, call (314) 342-0800.

For Gas Appliance Sales: (314) 342-0709

Toll Calls: 1-800-264-0347

Water heaters, ranges, washers, dryers, grills, gas logs, gas lights, space heaters

Visit our Downtown Showroom at 720 Olive Street.

Gas appliance service work is not subject to PSC regulation.

ISRS - Each year Laclede spends tens of millions of dollars on its more than 15,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge may be adjusted periodically, and is being implemented in accordance with a new law contained in Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.



Laclede Gas

www.lacledegas.com

Rates for RG and RA are seasonal; rates are lower May through October, and higher November through April.

Ways to pay this bill:

- Sign up at www.lacledegas.com to receive and pay your gas bills on the Internet for free.
- Call ChoicePay at 1-877-839-2478 to pay by bank account or credit card. Fees apply.
- Mail your payment to:

Laclede Gas Company
Drawer 2
St. Louis, MO 63171

A late payment charge of 1.5% will be applied to all amounts remaining unpaid after the delinquent date shown. Allow sufficient time if mailing your payment.

To report a gas odor or other emergency, and for all your billing, service or appliance repair needs, contact your customer service office:

105 South Washington, Farmington, MO 63640

(573) 431-2020 or (573) 783-6451

410 W. Main St., P.O. Box 219, Festus, MO 63028

(636) 931-8383 or 1-877-664-2726 (Toll Free)

313 South Broadway, Poplar Bluff, MO 63901

(573) 785-9681

1807 Heritage Hills Center, Washington, MO 63090

(636) 390-2100 or 1-800-675-6577

For Gas Appliance Sales:

1-888-654-0444

Gas appliance service work is not subject to PSC regulation.

ISRS - Each year Laclede spends tens of millions of dollars on its more than 15,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge may be adjusted periodically, and is being implemented in accordance with a new law contained in Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.



Missouri Natural Gas

www.lacledegas.com

Rates for RG and RA are seasonal; rates are lower May through October, and higher November through April.

Ways to pay this bill:

- Sign up at www.lacledegas.com to receive and pay your gas bills on the Internet for free.
- Call ChoicePay at 1-877-839-2478 to pay by bank account or credit card. Fees apply.
- Mail your payment to:

Missouri Natural Gas
Drawer 2
St. Louis, MO 63171

A late payment charge of 1.5% will be applied to all amounts remaining unpaid after the delinquent date shown. Allow sufficient time if mailing your payment.

ISRS


Each year Laclede spends tens of millions of dollars on its more than 15,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge, which is reflected on the front of your bill, may be adjusted periodically, and has been implemented in accordance with a law contained in Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.

Attachment 2

| | | | |
|--|------------------------|----------------------------------|------------------|
| ACCT NO 032426-004 | REV DATE 05/04 | BILL DATE 06/07/04 | PREV RD 05/03/04 |
| TAXES - TOWN 986 FENTON | | | PRES RD 06/02/04 |
| STATE SLS TAX .00000 | CITY SLS TAX .01500 | TOTAL SLS TAX .01500 | |
| GRT RATE .00000 | GRT REFUND RATE .00000 | REFUND EXCLUDES INTEREST | |
| RATE 2RM HEATING-RES-MID REV CLASS 0 RESIDENTIAL PGA GROUP 5 RESIDENTIAL | | | |
| ***** BILL CALCULATION ***** | | | |
| RATE STEP TOTAL | \$5.99 | 13.3 X \$.45016 | = \$5.987 |
| | (| -)X | = |
| SUMMER CUSTCHRG | \$12.00 | | |
| PGA TOTAL | \$4.54 | BLK1 PGA 0.34572 X 13.3 | = \$4.60 |
| ISRS/ \$0.45 | \$0.23 | BLK2 PGA 0.34572 X .0 | = \$.00 |
| | | ACA .00872- X 13.3 | = \$.12- |
| | | PRIN REF .00000 X 13.3 | = \$.00 |
| | | IA (C) .00407 X 13.3 | = \$.05 |
| RATE CHRG + PGA | \$22.76 | INT REF (PGA TOTAL -ABOVE AMTS)= | \$.01 |
| SALES TAX | \$.34 | .01500 X \$22.76 | = \$.34 |
| TOTAL GRT | \$.00 | RT STEP+CUST+B1+B2+ACA(A) | = \$22.70 |
| | | GRT TX (A)/(1 - .00000) - (A) | = \$.00 |
| | | PRIN PGA (B) | = \$.00 |
| | | GRT RF (B)/(1 - .00000) - (B) | = \$.00 |
| TOTAL BILLED | \$23.10 | IA GRT (C)/(1 - .00000) - (C) | = \$.00 |
| BASE GAS COST | \$3.79 | 13.3 X .28489 | = \$3.79 |
| DEPRESS PF9 TO RETURN TO THE BILL DETAIL SELECTION SCREEN | | | |
| ENTER TRANSACTION CODE OR PAGING REQUEST- | | | |

Attachment 3

ATTACHMENT III

| | | | | | | | |
|---|----------------|---|-------------|---|--|---|--|
| Laclede Company | | DRAWER 2 ST. LOUIS, MO 63171 | |  PRESORTED | | FIRST-CLASS MAIL U.S. POSTAGE PAID POST CARD RATE PERMIT NO. 738 | |
| SERVICE AT: 99 | XXX DR | DEPOSIT 0.00 RATE RC | | | | | |
| ACCT NO. 999999 | | AVERAGE GAS COST 56.733 DEGREE DAYS 543 | | BILL DETAIL PRIOR GAS BALANCE 184.82 PAYMENT THANK YOU 184.82 CHARGE FOR GAS SVC 02-17-04 TO 03-17-04 84.59 (INCLUDES A MONTHLY ISRS CHARGE OF \$.45) BELLE NEIGHBORS TAX 3.52 ACCOUNT BALANCE 88.11 | | | |
| PRESENT READING 591 | PRE READING 59 | BTU FACTOR 1.032 | THERMS 84.6 | | | | |
| ACTUAL READING | | AMOUNT | | HELP SOMEONE IN NEED. GIVE TO DOLLAR-HELP. CHECK THE RED BOX BELOW TO ADD \$1 TO EACH MONTH'S GAS BILL. | | | |
| CURRENT CHARGES | | 88.11 | | | | | |
| AMOUNT DUE \$88.11 | | | | | | | |
| PAYMENT DUE BY 05-04 | | DELINQUENT AFTER 04-15-04 | | RETURN THIS STUB TO: LACLEDE GAS COMPANY, DRAWER 2, ST. LOUIS, MO 63171 | | | |
| AMOUNT DUE \$88.11 | | AMOUNT PAID | | | | | |
| PAYMENT DUE BY 04-06-04 | | DELINQUENT AFTER 04-15-04 | | | | | |
| DOLLAR HELP <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | XXXX XXXXXXXXXXXX 99999 XXXXXXXXX ST LOUIS, MO 63132 | | | |
| 999999999900000088110 | | | | | | | |

Attachment 4A

ACCT NO 032426-004-1 RATE 2RM STAT ACTIVE ON DATE 07/02 PAGE 1
NAME [REDACTED] TOWN 986 ROUTE 0258 BUDI
SERV ADD [REDACTED] 06/07/04
CITY/ST [REDACTED] BALANCE 140.94 CIS ACTIVITY NONE
ZIP CODE 63026 GRID 15951D CYCLE 18
***** PHYSICAL BILL *****

| BILL DETAIL | AMOUNT |
|--|--------|
| PRIOR GAS BALANCE | 167.84 |
| PAYMENT THANK YOU | 50.00- |
| CHARGE FOR GAS SVC 05-03-2004 TO 06-02-2004 (INCLUDES A MONTHLY ISRS CHARGE OF \$.45) | 22.76 |
| SALES TAX | .34 |
| ACCOUNT BALANCE | 140.94 |

HELP SOMEONE IN NEED. GIVE TO DOLLAR-HELP. CHECK
THE RED BOX BELOW TO ADD \$1 TO EACH MONTH'S GAS BILL.
WANT TO PAY BY INTERNET? BY PHONE? BY CREDIT CARD?
SEE THE BACK OF THIS BILL FOR MORE INFORMATION.

DEPRESS PF9 TO RETURN TO THE BILL DETAIL SELECTION SCREEN
ENTER TRANSACTION CODE OR PAGING REQUEST-

Attachment 4B

**P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. 12
CANCELLING P.S.C. MO. No. 5 Consolidated, First Revised Sheet No. 12**

Laclede Gas Company
Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1
Community, Town or City

SCHEDULE OF RATES

INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE ("ISRS")

Description: The ISRS is designed to recover the costs associated with the Company's eligible infrastructure replacements in accordance with the provisions of Sections 393.1009 to 393.1015, RSMo.

Applicability: In addition to the other charges provided for in the Company's tariff, a monthly ISRS shall be added to each customer's bill for service rendered on and after the effective date of the ISRS.

Schedule of Surcharges: The amount of the ISRS by rate schedule is as follows:

| | <u>Per Bill Per Month</u> |
|--|---------------------------|
| Residential General Service (RG) | \$.45 |
| Residential Seasonal Air Conditioning Service (RA) | \$.45 |
| Commercial & Industrial General Service-Class I (C1) | \$.59 |
| Commercial & Industrial General Service-Class II (C2) | \$.64 |
| Commercial & Industrial General Service-Class III (C3) | \$.87 |
| Commercial & Industrial Seasonal Service-Class I | \$.59 |
| Commercial & Industrial Seasonal Service-Class II | \$.64 |
| Commercial & Industrial Seasonal Service-Class III | \$.87 |
| Large Volume Service (LV) | \$22.30 |
| Interruptible Service (IN) | \$19.70 |
| General L.P. Gas Service (LP) | \$.41 |
| Unmetered Gas Light Service (SL) | \$.14 |
| Vehicular Fuel Rate (VF) | \$.56 |
| Large Volume Transportation and Sales Service (LVTSS) | \$43.97 |
| LVTSS - Other (*) | \$33.45 |

(*) Single customers with multiple accounts located on contiguous property.

| | | | |
|---------------|----------------------------|-----------------|---|
| DATE OF ISSUE | <u>May 27, 2004</u> | DATE EFFECTIVE | <u>June 26, 2004</u> |
| | Month Day Year | | Month Day Year |
| ISSUED BY | <u>/s/ M.R. Spolanski,</u> | Vice President, | <u>720 Olive St., St. Louis, MO 63101</u> |
| | Name of Officer | Title | Address |

Attachment 5