

be replaced because it was so old that the manufacturer was no longer servicing it, rendering it effectively unusable for its intended purpose. As a result, such equipment had become “worse or inferior in character, quality, [and] value . . .” – a circumstance that means the equipment was in “deteriorated condition” and thus eligible for ISRS inclusion under the plain language of Section 393.1009(5)(a) RSMo.

3. Laclede also disagrees with OPC’s claim that the two months of budgeted, pro-forma ISRS plant included in the Company’s ISRS filing (as subsequently updated) is ineligible for inclusion in its ISRS charges in this case. Again, the evidentiary record will demonstrate: (a) that the update of ISRS plant to reflect two months of additional ISRS investments is part and parcel of a corresponding practice of also updating ISRS plant to *reduce* ISRS revenues by reflecting an additional *three and a half to four* months of accumulated depreciation expense and deferred tax liability; (b) that the practice of updating such amounts has been consistently employed in prior ISRS filings since at least 2009; (c) that both the Commission Staff and the Company have clearly identified in formal submissions the use of this practice in these prior ISRS filings; (d) that such a process is entirely consistent with the use of budgeted and updated costs in rate cases; (e) that there is nothing in the language of the ISRS statute or rules that precludes such a practice; and (f) that the practice of using budgeted and updated cost information in this and other ISRS cases has in no way prejudiced OPC’s ability to review and make recommendations given the timing of the update and when OPC customarily begins its review.

4. That said, Laclede, Staff and OPC have developed and filed a procedural schedule that, together with the already scheduled hearing, will provide the Commission

with a complete and accurate evidentiary record upon which to decide the issues raised in OPC's Motion.

WHEREFORE, for the foregoing reasons, Laclede Gas Company respectfully requests that the Commission take note of this Response.

Respectfully submitted,

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ATTORNEY FOR LACLEDE GAS COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Application and Petition was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 27th day of March, 2015 by hand-delivery, fax, electronic mail or United States mail, postage prepaid.

/s/ Rick Zucker