

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 20th day of
May, 2015.

In the Matter of the Verified Application and Petition)	
of Laclede Gas Company to Change Its)	<u>File No. GO-2015-0269</u>
Infrastructure System Replacement Surcharge)	Tariff No. YG-2015-0305
in Its Laclede Gas Service Territory)	
)	

**ORDER REGARDING ADJUSTED ISRS RATES AND GRANTING
RENEWED MOTION FOR EXPEDITED TREATMENT**

Issue Date: May 20, 2015

Effective Date: May 22, 2015

On April 17, 2015, Laclede Gas Company (“Laclede”) filed a verified application with the Commission under Sections 393.1009, 393.1012, and 393.1015¹ requesting that the Commission authorize the company to adjust its Infrastructure System Replacement Surcharge (“ISRS”) for its Laclede Gas Service Territory. Laclede’s request to change its ISRS rates was accompanied by an implementing tariff (Tariff No. YG-2015-0305). Laclede also filed a *Motion for Expedited Treatment*, requesting the Commission approve the ISRS application by May 31.² Laclede’s verified application is a re-filing of an ISRS application previously filed on January 30, in File No. GO-2015-0178. That previous application was withdrawn through a *Joint Notice of Voluntary Dismissal Without Prejudice* (“Joint Notice”) on April 15. The Joint Notice stated that Laclede, the Staff of the Commission and the

¹ All statutory references are to the 2000 Missouri Revised Statutes, as cumulatively supplemented.

² Section 393.1015.2(3) requires the Commission to issue an order within 120 days from the filing of the application.

Office of the Public Counsel (“OPC”) agreed that certain work orders should be excluded in Laclede’s refiled ISRS application.³ The Joint Notice also indicated that the parties agreed to work towards the expedited approval of Laclede’s refiled ISRS application.⁴

In its current 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 September 1, 2014 through February 28, 2015.

Section 393.1015.1(2) requires the Commission publish notice of Laclede’s ISRS filing. Therefore, on April 20, the Commission directed that notice of the filing be mailed to the county commissions of the counties served by Laclede. The Commission also directed that notice be given to the media in Laclede’s service territory 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 April 30. The Commission received no intervention requests.

The Staff of the Commission filed its recommendation on May 1, recommending the Commission reject Laclede’s tariff sheets and approve Staff’s recommended ISRS revenue of \$5,524,406, for a total cumulative ISRS revenue requirement of \$15,322,676. Laclede submitted a substitute tariff, consistent with Staff’s recommendation. On May 12, OPC filed a reply stating it opposed expedited approval of Laclede’s substitute tariff sheet due to concerns over at least five separate work orders included in Laclede’s ISRS application.

³ The parties agreed to the exclusions of: (1) telemetric costs, pending the issuance of a Missouri Supreme Court opinion that may provide guidance on includable ISRS costs; and (2) budgeted costs when actual plant costs are available.

⁴ It should be noted that the Joint Notice was not submitted to the Commission for approval of an agreement reached by the parties. It was treated as a voluntary dismissal by written consent of all parties, as permitted by Commission Rule 4 CSR 240-2.116(a).

On May 15, OPC filed a notice with the Commission stating that upon review and discussion with Laclede, OPC no longer opposes three of the work orders. OPC also states that Laclede agreed to remove the other two disputed work orders from the ISRS request.⁵

On May 18, Laclede filed a revised substitution of its tariff sheet⁶ and a *Renewed Motion for Expedited Treatment*. Laclede acknowledges that after discussions with OPC it is removing from its ISRS filing the costs associated with two regulator stations.⁷ Laclede's motion requests the Commission approve the substitute tariff sheet, with an effective date of May 22. Laclede asserts that there are no negative effects for its customers or the general public if the Commission grants its request. Laclede's motion also states that counsel for Staff and OPC did not oppose its request.

On May 18, the Commission issued an order giving the parties until 2:00 p.m. on May 19 to file an objection to Laclede's motion. No objections were filed. As Laclede points out, this ISRS application contains information available in the previous filing for File No. GO-2015-0178. In addition, neither Staff nor the Office of the Public Counsel has objected to the request for expedited treatment.

Based on Laclede's application, Staff's recommendation, and OPC's filings, the Commission concludes that Laclede should be permitted to adjust its ISRS rates. The tariff sheet submitted by Laclede, as substituted on May 18 (Tariff No. YG-2015-0305) is approved. The Commission further finds that good cause exists to grant Laclede's request for expedited treatment.

⁵ OPC states the two work orders to be excluded are Work Order 003304, in the amount of \$673,104, and Work Order 003305, in the amount of \$571,857. OPC also states that while it does not request an evidentiary hearing, its non-opposition to the ISRS increase is not a waiver of its right to challenge the remaining ISRS costs in Laclede's next rate case.

⁶ While this tariff sheet was initially entered as a revised tariff sheet and assigned Tariff No. YG-2015-0335, the Commission corrected this in its EFIS system to appropriately identify it as a substitute under Tariff No. YG-2015-0305.

⁷ Laclede acknowledges its rights to include those costs in future ISRS filings.

THE COMMISSION ORDERS THAT:

1. Laclede's Renewed Motion for Expedited Treatment is granted.
2. The tariff sheet filed by Laclede and assigned Tariff No. YG-2015-0305 is

approved to go into effect on May 22, 2015. The tariff sheet approved is:

P.S. C. MO. No. 5 Consolidated
Twenty-Fourth Revised Sheet No. 12, Cancelling Twenty-Third Rev. Sheet No. 12

3. This order shall be effective on May 22, 2015.
4. This file shall be closed on May 25, 2015.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Burton, Regulatory Law Judge.