

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 13th day of March, 2013.

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change its)	<u>File No. GO-2013-0352</u>
Infrastructure System Replacement Surcharge)	Tariff File No. YG-2013-0316

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

Issue Date: March 13, 2013

Effective Date: March 14, 2013

On January 11, 2013¹, 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. 2011, 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.

That tariff had an effective date of February 11. The Commission suspended the tariff until May 11.

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 June 1, 2012 through November 30, 2012, including pro forma ISRS costs updated through January 31. The specific infrastructure system

¹ All calendar references are to 2013 unless otherwise indicated.

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 January 15, 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 February 4. The Commission received an intervention request from Missouri Industrial Energy Consumers, which the Commission granted.

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 March 7, advising the Commission to reject the tariff sheets.

Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$5,649,729. Instead, Staff recommends that the Commission authorize Laclede to file ISRS rates as reflected in Attachment A to the Staff Recommendation. Tariff sheets comporting with Attachment A would allow Laclede to recover an incremental amount of annual pre-tax revenues of \$4,824,037.

Laclede responded on March 7, stating that it agreed with and accepted Staff's recommendation. Laclede filed a specimen tariff to reflect the incremental ISRS

revenue requirement that it and Staff agreed upon. The Commission received no other responses to the Staff Recommendation.

Laclede also included a Motion for Expedited Treatment with its response, asking that the Commission reject the currently filed tariff, and asking that the Commission direct Laclede to file a revised tariff sheet effective March 15 with the same rates listed in the specimen tariff sheet. The Commission issued an order on March 8, allowing parties until March 11 to object to Laclede's request. The Commission received no objection.

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 current tariff implementing those rates will be rejected, and Laclede is ordered to file a tariff that reflects the rates recommended by Staff and agreed upon by Laclede.

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 March 15, 2013.

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).

THE COMMISSION ORDERS THAT:

1. Laclede Gas Company is authorized to file a tariff bearing an effective date of March 15, 2013, 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.
3. The tariff sheet filed by Laclede Gas Company on January 11, 2013, assigned tariff number YG-2013-0316, is rejected.
4. This order shall become effective on March 14, 2013.

BY THE COMMISSION



Shelley Brueggemann
Acting Secretary

R. Kenney, Chm., Jarrett, Stoll,
and W. Kenney, CC., concur.

Pridgin, Senior Regulatory Law Judge