

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 23<sup>rd</sup> day of April, 2014.

In the Matter of Missouri Gas Energy's )  
Filing of Revised Tariffs to Increase its )  
Annual Revenues for Natural Gas )

**File No. GR-2014-0007**

**ORDER APPROVING STIPULATION AND AGREEMENT**

Issue Date: April 23, 2014

Effective Date: May 1, 2014

On September 16, 2013, Missouri Gas Energy (MGE) filed a request, with a revised tariff, to increase its rates by \$17 million. The Commission suspended the tariff sheets, set hearing dates and directed the parties to file a proposed procedural schedule. The Commission subsequently granted applications to intervene to: The Missouri Department of Economic Development, Division of Energy; Midwest Gas Users' Association and USG Corporation; City of Kansas City; Consumers Council of Missouri; and, AARP (who, in 1999, changed its name from American Association of Retired Persons).

The Commission held local public hearings in Joplin, St. Joseph and the greater Kansas City area.

On April 11, 2014, the company filed a proposed Stipulation and Agreement. Signatories to the agreement are: Laclede Gas Company, d/b/a Missouri Gas Energy; The Office of the Public Counsel; The Staff of the Commission; The Missouri Department of Economic Development, Division of Energy; and, Midwest Gas Users' Association and USG Corporation. Although not signatories, the remaining parties have indicated that they do not oppose the agreement.

## **The Agreement**

Among other things, the signatories recommend that the company be permitted to increase its Missouri jurisdictional revenues by \$7,800,000, effective May 1, 2014. With the increase, the company's Infrastructure System Replacement Surcharge shall be set to zero.

The agreement provides for a decrease in residential fixed rates from \$28.10 to \$27.87 until October 1, 2014. Thereafter, residential fixed rates will be further reduced to \$23.00. The fixed monthly charge for Small General Service Customers will be reduced from \$41.04 to \$40.74 until October 1, 2001, then reduced to \$34.00.

The agreement also provides for a tracking mechanism for pension and Other Post-Employment Benefits (OPEBs), with over/under collection to be considered in a future rate case. The parties also agree to the depreciation rates set out in Schedule JAR (DEP)-1, Attachment 2 to the Agreement.

## **Discussion**

Parties may propose a resolution of a contested case by filing a stipulation and agreement.<sup>1</sup> The Commission may then resolve the case based on that agreement.<sup>2</sup> The Commission notes that the City of Kansas City, the Consumers Council of Missouri and AARP are not signatories to the agreement. The agreement is therefore not unanimous. However, if a party does not object to the agreement within 7 days of its filing, the Commission may treat the agreement as unanimous.<sup>3</sup> More than 7 days have expired since the company filed the agreement. The Commission will therefore treat the agreement as unanimous.

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<sup>1</sup> Commission rule 4 CSR 240-2.115(1)(A).

<sup>2</sup> Commission rule 4 CSR 240-2.115(1)(B).

<sup>3</sup> Commission rule 4 CSR 240-2.115(2).

Because this file is being disposed of by agreement, the Commission need not make findings of fact or conclusions of law.<sup>4</sup> However, the Commission independently concludes that the agreement is consistent with the public interest and is reasonable. Having so concluded, the Commission will approve the agreement, which is attached to this order.

On April 15, MGE filed sample tariff sheets, with substitute sheets filed on April 16, reflecting the agreement. The Commission will direct MGE to file revised tariff sheets, such as the sample sheets filed on April 15 and 16, that reflect the Stipulation and Agreement.

**THE COMMISSION ORDERS THAT:**

1. The Stipulation and Agreement is approved and the parties are directed to abide by the terms set out therein.
2. Tariff File No. YG-2014-0127, filed on September 16, 2014, is rejected.
3. Missouri Gas Energy is directed to file revised tariff sheets.
4. This order shall become effective on May 1, 2014.



**BY THE COMMISSION**

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

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

Jones, Senior Regulatory Law Judge

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<sup>4</sup> Section 536.090, RSMo.