

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 8th day of October, 2014.

In the Matter of the Application of Missouri Gas Energy, an Operating Unit of Laclede Gas Company, for Approval to Establish an Infrastructure System Replacement Surcharge)	
)	<u>File No. GR-2015-0025</u>
)	Tariff No. YG-2015-0028
)	

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

Issue Date: October 8, 2014

Effective Date: October 18, 2014

On July 25, 2014¹, Missouri Gas Energy, an operating unit of Laclede Gas Company (hereafter "MGE") filed an application with the Missouri Public Service Commission under Sections 393.1009, 393.1012 and 393.1015, RSMo Cum. Supp. 2013, 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 August 25. The Commission suspended the tariff until November 22.

In its ISRS application, MGE seeks to adjust its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period of January 1 through June 30, including pro forma ISRS costs updated through

¹ All calendar references are to 2014 unless otherwise indicated.

August 31. The specific infrastructure system 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 MGE's ISRS filing. Therefore, on July 29, the Commission directed that notice of the filing be mailed to the county commission of the counties served by MGE. It also directed that notice be given to the media serving the area served by MGE 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 August 13. The Commission received no intervention requests.

Section 393.1015.2(2), RSMo, requires the Staff of the Commission ("Staff") to file a report regarding an ISRS application no later than 60 days after it was filed. Staff filed its Recommendation on September 23, supplemented by an Amended Staff Recommendation on September 30, advising the Commission to reject the tariff sheets.

Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$2,775,348. Instead, Staff recommends that the Commission authorize Laclede to file ISRS rates as reflected in Attachment B to the Amended Staff Recommendation. Tariff sheets comporting with Attachment B would allow MGE to recover an incremental amount of annual pre-tax revenues of \$1,990,296.

MGE responded on October 2, stating that it agreed with and accepted Staff's Amended Recommendation. MGE 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.

MGE 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 MGE to file a revised tariff sheet effective October 18 with the same rates listed in the specimen tariff sheet. MGE represents that it has contacted Staff and the Office of Public Counsel, and that MGE is authorized to state that they do not object to the request for expedited treatment.

Based on MGE's application and Staff's Amended Recommendation, the Commission concludes that MGE should be permitted to adjust its ISRS rates. MGE's current tariff implementing those rates will be rejected, and MGE is ordered to file a tariff that reflects the rates recommended by Staff and agreed upon by MGE. The Commission further finds that good cause exists for MGE to be excused from the Section 393.140(11) requirement that tariffs have a 30-day effective date.

THE COMMISSION ORDERS THAT:

1. The tariff sheet filed by Missouri Gas Energy, an operating unit of Laclede Gas Company on July 25, 2014, assigned tariff number YG-2015-0028, is rejected.
2. Missouri Gas Energy, an operating unit of Laclede Gas Company, is authorized to file a tariff bearing an effective date of October 18, 2014, to adjust its Infrastructure System Replacement Surcharge rates in the manner agreed upon as listed in the Amended Staff Recommendation and Response to Staff Recommendation.
3. The notices and bill format referenced in paragraph 17 of the Application, and set forth in Appendices E and F to the Application, are approved.

4. This order shall become effective on October 18, 2014.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

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

Pridgin, Deputy Chief Regulatory Law Judge