

Exhibit No.:
Issue: ISRS Updates
Witness: Glenn W. Buck
Type of Exhibit: Direct Testimony
Sponsoring Party: Laclede Gas Company
Case No.: GO-2015-0178
Date Prepared: April 9, 2015

LACLEDE GAS COMPANY

GO-2015-0178

DIRECT TESTIMONY

OF

GLENN W. BUCK

APRIL 2015

DIRECT TESTIMONY OF GLENN W. BUCK

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- Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**
- A. My name is Glenn W. Buck, and my business address is 700 Market St., St. Louis, Missouri, 63101.
- Q. WHAT IS YOUR PRESENT POSITION?**
- A. I am presently employed as Director, Regulatory and Finance, for Laclede Gas Company (“Laclede” or “Company”).
- Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**
- A. I was appointed to my present position in April 2013. In this position, I am responsible for the financial aspects of rate matters generally, including financial analysis and planning. I am also responsible for monitoring regulatory trends and developments.
- Q. WHAT WAS YOUR EXPERIENCE WITH THE COMPANY PRIOR TO BECOMING DIRECTOR, REGULATORY AND FINANCE?**
- A. I joined Laclede in August 1986, as a Budget Analyst in the Budget Department. I was promoted to Senior Budget Analyst in June 1988, and transferred to the Financial Planning Department in December 1988 as an Analyst. I was promoted to Senior Analyst in February 1990, Assistant Manager in February 1994, and Manager in January 1996. In March of 1999 I was promoted to Manager, Financial Services.
- Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**
- A. I graduated from the University of Missouri - Columbia, in 1984, with a Bachelor of Science degree in Business Administration.
- Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS COMMISSION?**

1 A. Yes, I have, in Case Nos. GR-94-220, GR-96-193, GR-99-315, GT-2001-329, GR-2001-
2 629, GR-2002-356, GO-2004-0443, GR-2005-0284, GR-2007-0208, GT-2009-0026, ER-
3 2010-0036, GR-2010-0171, GC-2011-0006, GC-2011-0098, GO-2012-0363, GR-2013-
4 0171, and GR-2014-0007. Further, I provided oral testimony before the Commission
5 regarding the Infrastructure System Replacement Surcharge (“ISRS”) rulemaking in Case
6 No. AX-2004-0090.

7 **PURPOSE OF TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. The purpose of my testimony is to provide support for the Company’s inclusion of
10 budgeted (“proforma”) estimates, as updated by actual expenditures, in the current ISRS
11 filing. Company witness Patrick Seamands will be addressing the ISRS eligibility of the
12 Company’s investment in new telemetric equipment to replace old, worn out models.

13 **Q. PLEASE DESCRIBE THE ISSUE RAISED BY THE OFFICE OF PUBLIC**
14 **COUNSEL (“OPC”) IN ITS REQUEST FOR A HEARING.**

15 A. According to its Motion, the OPC stated, “It is also the understanding of Public Counsel
16 that Laclede’s ISRS filing includes “budget” amounts, which act as placeholders for
17 infrastructure costs to be incurred after Laclede files its application. Allowing the ISRS to
18 include costs incurred after the application is unlawful under the ISRS statutes, which
19 require schedules and supporting documentation to be filed with the application. To allow
20 a gas utility to insert additional costs into its ISRS request months after its initial filing
21 denies Public Counsel from the full 120 days to contest the request.”

22

23

1 **Q. WAS THE INFORMATION SUPPLIED BY THE COMPANY TO UPDATE THE**
2 **PROFORMA FIGURES IN ITS APPLICATION SUBMITTED “MONTHS”**
3 **AFTER THE COMPANY FILED ITS APPLICATION AS PUBLIC COUNSEL**
4 **ASSERTS?**

5 A. No. The additional information on the Excel spreadsheet that was supplied by the
6 Company to update its proforma figures was actually provided to the Staff less than 6
7 weeks after the Company’s January 30, 2015 application filing. The Company would
8 have provided this information to OPC at the same time, except OPC had never shown an
9 interest in reviewing such information in the 6 plus years that Laclede has been providing
10 updated information as part of its ISRS filings. Notably, this lack of interest existed even
11 though it was abundantly clear to everyone involved in the process that such updates
12 were occurring. Nevertheless, as soon as the Company learned of OPC’s desire to
13 review the information it immediately provided a copy. This happened about 7 days after
14 the information had been furnished to the Staff.

15 **Q. IS IT UNUSUAL TO INCLUDE PROFORMA INFORMATION IN A CASE AND**
16 **THEN UPDATE IT WITH ACTUAL DETAILS WHEN THEY BECOME**
17 **AVAILABLE?**

18 A. Absolutely not. Parties have applied this same practice in rate cases for many years. The
19 estimates of capital expenditures to be “closed” to plant in service in the months of
20 January and February 2015 were provided as estimates in this ISRS case in much the
21 same way estimates are routinely included in the initial filing in rate cases and
22 subsequently updated and even “trued-up” with actuals during the pendency of those
23 proceedings.

1 Q. **IS INCLUSION OF PROFORMA INFORMATION IN THE ISRS APPLICATION**
2 **CONSISTENT WITH PAST PRACTICE IN ISRS CASES APPROVED BY THE**
3 **COMMISSION?**

4 A. Yes. There have been proforma estimates followed by reconciliations in ISRS cases
5 going back to at least 2009. In fact, the update of ISRS plant to reflect two months of
6 additional ISRS investments is part and parcel of a corresponding practice of also
7 updating ISRS plant to reduce ISRS revenues by reflecting an additional three and a half
8 to four months of accumulated depreciation expense and deferred tax liability. The
9 inclusion of estimates, updated by actual expenditures, was first approved in a Laclede
10 ISRS proceeding in early 2009 in Case No. GO-2009-0221. Such practice has been
11 approved by the Commission in every Laclede Report and Order issued since that time
12 including: Case Nos: GO-2009-0389, GO-2010-0212, GO-2011-0058, GO-2011-0361,
13 GO-2012-0145, GO-2012-0356, GO-2013-0352, GO-2014-0212, and GR-2015-0026.
14 The Office of Public Counsel has had an opportunity to participate in each of these cases,
15 and has in fact participated in them.

16 Q. **HAS THE PRACTICE OF FILING PROFORMA INFORMATION FOLLOWED**
17 **BY UPDATE AND RECONCILIATION BEEN EXPRESSLY STATED?**

18 A. Yes. Since the time that this practice was instituted in 2009, the practice has been
19 explicitly stated by the Company in its ISRS applications, by the Commission Staff in its
20 ISRS recommendations, and by the Commission itself in its ISRS orders. Excerpts from
21 these applications, recommendations and orders expressly addressing the proforma and
22 update practice are attached to my testimony as Exhibit GWB-1. At no time over this 6

1 year time frame and multiple series of ISRS filings had OPC ever suggested that there
2 was anything unlawful or improper about this practice.

3 **Q. ARE YOU SPONSORING LACLEDE'S JANUARY 30, 2015 APPLICATION,**
4 **ALONG WITH THE EXHIBITS ATTACHED THERETO AND THE UPDATES?**

5 A. Yes, I am.

6 **Q. IS THE PERIOD OF TIME AVAILABLE TO REVIEW THE UPDATED ISRS**
7 **INFORMATION SUBSTANTIALLY DIFFERENT THAN THE PERIOD OF**
8 **TIME AFFORDED TO REVIEW UPDATED OR TRUED-UP INFORMATION IN**
9 **A RATE PROCEEDING?**

10 A. No, they are comparable. In this case, complete updated information related to
11 the ISRS-eligible property was supplied to Staff on March 12, 2015 which is 19 days
12 prior to the Staff making its recommendation on March 31. The same information was
13 supplied to OPC, which to this point had been inactive in ISRS updates, on March 19th
14 after a conversation between Laclede and OPC counsel. In my experience, this interval
15 of time between providing updated information and the reviewing party filing its
16 recommendation is consistent with the time intervals for providing and reviewing
17 updated information in rate cases where Staff or OPC had filing deadlines. For example,
18 in Laclede's 2007 general rate case proceeding, the Staff filed its revenue requirement
19 testimony and accounting schedules on May 4, 2007 based on updated information that
20 was provided on April 20, 2007 (for the period ending March 31, 2007). This two week
21 period for auditing updated information in the 2007 rate case was actually *shorter* than
22 the 19 day audit period provided for in this case. Similarly, in the Company's 2010
23 general rate case proceeding, the Staff filed its revenue requirement testimony and

1 accounting schedules on May 10, 2010 based, in part, on updated information that had
2 been supplied by the Company as late as April 28, 2010. Again, this was a significantly
3 shorter audit interval than the one afforded in this case.

4 **Q. SHOULD THERE BE ANY HEIGHTENED CONCERN REGARDING THE**
5 **AMOUNT OF TIME PROVIDED TO AUDIT ISRS ADDITIONS VERSUS THE**
6 **AUDIT TIME IN OTHER PROCEEDINGS?**

7 A. No. In fact, just the opposite is true. That's because the ISRS statute provides for a
8 simplified audit process, as ISRS costs can be audited again for prudence in a subsequent
9 rate case. The ISRS legislation (393.1015(2)(2)) provides that,

10 "The staff of the commission may examine information of the gas corporation to confirm
11 that the underlying costs are in accordance with the provisions of sections 393.1009 to
12 393.1015, and to confirm proper calculation of the proposed charge, and may submit a
13 report regarding its examination to the commission not later than sixty days after the
14 petition is filed. No other revenue requirement or ratemaking issues may be examined in
15 consideration of the petition or associated proposed rate schedules filed pursuant to the
16 provisions of sections 393.1009 to 393.1015."

17
18 The scope of the audit is meant to determine if the included projects are ISRS-eligible
19 and if the calculations were done correctly. Section 393.1015(8) provides that,

20 "Commission approval of a petition, and any associated rate schedules, to establish or
21 change an ISRS pursuant to the provisions of sections 393.1009 to 393.1015 shall in no
22 way be binding upon the commission in determining the ratemaking treatment to be
23 applied to eligible infrastructure system replacements during a subsequent general rate
24 proceeding when the commission may undertake to review the prudence of such costs. In
25 the event the commission disallows, during a subsequent general rate proceeding,
26 recovery of costs associated with eligible infrastructure system replacements previously
27 included in an ISRS, the gas corporation shall offset its ISRS in the future as necessary to
28 recognize and account for any such overcollections."

29
30 In other words, even though the costs of an ISRS project may be in ISRS rates, those
31 costs are subject to a prudence review in a subsequent rate case and, if the costs are found
32 to be imprudent, ISRS amounts collected on the project will be refunded to customers in

1 future ISRS proceedings. In contrast, an audit in a rate case proceeding must determine
2 both the propriety and prudence of a particular expenditure without any subsequent
3 opportunity to revisit the issue at a later time. By reserving the right to a subsequent
4 prudence review, and by limiting the scope of the ISRS audit to ISRS eligibility, the
5 legislature clearly intended to ease the burden of the audit in ISRS proceedings. The
6 timing of prudence reviews are also set out in the Commission’s ISRS rules at 4 CSR
7 240-3.265(15).

8 **Q. HOW MANY “NEW” WORK ORDERS “CLOSED” IN JANUARY AND**
9 **FEBRUARY 2015?**

10 A. Of the 314 total ISRS projects and associated work orders in this case, 41 (13%) new
11 work orders totaling \$16.5 million were “closed” in either January or February business.
12 However, approximately 67% of the dollars closed from these “new” work orders were
13 associated with just 15 of the 41 projects (totaling \$11.1 million of that total). For the
14 Commission’s convenience, I have attached those 15 project authorization sheets as
15 Exhibit GWB-2 to my testimony. As can be readily seen, these work orders could have
16 been reviewed for ISRS eligibility in a relatively short amount of time.

17 **Q. HAS THE COMPANY MADE EFFORTS TO PROVIDE UPDATED**
18 **INFORMATION IN A TIMELY FASHION?**

19 A. Yes. With the implementation of our new accounting system, we are now able to “close”
20 the business month days faster than previously. Additionally, being conscious of the
21 Staff’s need to have adequate time to review such information, we have purposely filed
22 our ISRS cases later in the month to accommodate Staff and OPC by providing more
23 time to audit the updated information. In this instance, filing our application on January

1 30 caused the Staff's 60 day statutory recommendation date to be March 31. Since
2 Laclede provided its January and February updated information to the Staff on March 12,
3 as I indicated earlier, the Staff had 19 days to review the updated information prior to
4 making its recommendation. Additionally, the Company is willing and has, in the past
5 (upon request), updated the ISRS information monthly as the work orders closed. In this
6 case, even without inquiry, Laclede gave Staff the January business information at the
7 beginning of March, effectively giving them approximately 4 weeks to review the
8 January projects. Further, it is our intention to continue this practice of providing the
9 updates shortly after each month's close, to help expedite the examination process.

10 **Q. DO YOU HAVE ANY OBJECTION TO PUBLIC COUNSEL RAISING THIS**
11 **ISSUE NEARLY SEVEN WEEKS AFTER LACLEDE FILED THIS**
12 **APPLICATION?**

13 **A.** Yes, I do. In resolution of a dispute involving income taxes, Laclede, Staff and OPC
14 reached an agreement under which Laclede would reduce its ISRS request by half of the
15 value of the tax issue, and in exchange Staff and OPC would work to implement the
16 Company's ISRS as soon as reasonably possible. In this case, OPC has, seven weeks into
17 this case, challenged the well-established practice of updating both ISRS additions and
18 retirements, a practice that has been expressly addressed by Laclede and Staff, and
19 approved by the Commission, in Laclede's 10 previous ISRS cases. Given these
20 circumstances, OPC's raising of the issue on March 19, at the very least denies Laclede
21 the benefit of its bargain. This tardy approach to raising issues also reflects poorly on the
22 validity of OPC's claim that its review of Laclede's ISRS filing has somehow been
23 prejudiced by the Company's furnishing of updated information several weeks after its

1 Application was filed. It is apparent from when OPC began discovery in this case and
2 when it has begun discovery and raised issues in prior ISRS cases, that OPC does not
3 seem to even begin its review of the Company's ISRS information until a month or more
4 after the Company's application has been filed. Given this reality, it is highly unlikely
5 that OPC would have turned its attention to the updated information any sooner than it
6 did, even if the information could have been included with the Company's ISRS
7 application. As a result, the only thing that is being prejudiced in this case is Laclede's
8 ability to receive the benefit of the bargain it struck with OPC regarding the expedited
9 processing of its ISRS filings – a benefit for which the Company has given valuable
10 consideration in this and other ISRS filings. At a minimum, OPC should not be allowed
11 to compound that prejudice by claiming an adverse impact on its review time that is
12 entirely hypothetical and can't be squared with when OPC routinely starts its review of
13 ISRS information.

14 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

15 A. The Company believes the current process of updating the ISRS information fits squarely
16 with the legislative intent, which was to allow more timely cost recovery of gas safety
17 investments and government mandated relocations under a targeted audit process that is
18 backstopped by a later review for prudence in a rate case. The provision of proforma
19 information on ISRS projects is consistent with the common practice of using such
20 information, as updated with actuals, in other rate proceedings. There is more than
21 adequate time to review such projects and meet the 60 day timeframe for a Staff
22 Recommendation regarding eligibility and accuracy.

23

1 Q. **DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

2 A. Yes.

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2009-0221, File No. JG-2009-0397, Laclede Gas Company

FROM: Michael J. Ensrud, Energy – Tariffs / Rate Design
Jeremy Hagemeyer, - Auditing

/s/Thomas Imhoff 01/20/09 /s/ Steven C. Reed 01/20/09
Energy Department/Date General Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Application of Laclede Gas
Company Seeking the Missouri Public Service Commission's Approval to
Increase an Infrastructure System Replacement Surcharge

DATE: January 20, 2009

BACKGROUND

On November 21, 2008, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri, filed an Application and Petition (Application) to implement a change in Laclede's Infrastructure System Replacement Surcharge (ISRS) with the Missouri Public Service Commission (Commission) with a proposed effective date of January 19, 2009. Missouri statute Sections 393.1000-1015 and the Commission's Rule 4 CSR 240-3.265; Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges allow gas corporations to recover certain infrastructure system replacement costs outside of a formal rate case through a surcharge on customers' bills. Laclede filed this tariff sheet (File No. JG-2009-00397) proposing to increase its currently established ISRS rates. The prior ISRS was reset to a cumulative \$3,531,066 in Filing GO-2008-0351, which the Commission allowed to become effective June 26, 2008.

On November 26, 2008, the Commission issued its **order, directing notice, setting an intervention date of December 16, 2008, and setting a filing date of January 20, 2009 for Staff's Recommendation. The Commission indicated that it must issue its order regarding this application effective no later than March 21, 2009.**

This Memorandum is in response to that Order.

On December 1, 2008, the Commission issued an order - **ORDER SUSPENDING TARIFF** - which re-enforces the March 21, 2008 effective date.

STAFF'S INVESTIGATION

Staff members from the Auditing and Energy Departments participated in the Staff's investigation of the Application. The Staff's investigation included a review of the Application supporting documentation, Missouri statutory sections 393.1009, 393.1012 and 393.1015 RSMo, Commission rules and all additional data provided by Laclede.

THE APPLICATION

In Case No. GO-2008-0351, Laclede’s current ISRS revenues were calculated on ISRS plant that was placed into service during the period October 1, 2007 through March 31, 2008. In Laclede’s current ISRS Application, Case No. GO-2009-0221, Laclede seeks to recover costs of ISRS-qualifying plant placed in service from April 1, 2008 through September 30, 2008.

STAFF REVIEW

The Staff reviewed Laclede’s Application, the supporting workpapers and calculations, a sample of plant workorders and participated in meetings and discussions with Laclede personnel. Commission Rule 4 CSR 240-3.265(12) requires the Commission to issue an Order with an effective date no later than 120 days after the utility files an ISRS petition. In the Staff’s view the calculation of the ISRS should reflect the revenue requirement at the effective date. To accomplish this, in the most recent ISRS filings for Atmos Energy, Missouri Gas Energy and AmerenUE, the Staff has reflected the depreciation and deferred tax reserves through the implementation date. In discussions with Laclede personnel, Staff indicated that it would pursue this method of calculating the reserves for depreciation and deferred tax. In response, Laclede requested an update of its ISRS eligible plant through the end of November 2008. The ISRS eligible plant closings in October and November are the most recent additions available for examination by the Staff. Including the October and November ISRS plant additions conforms to the Staff’s view that the ISRS should reflect the revenue requirement at the effective date. The Staff has examined this additional data and has incorporated it in its calculation of the ISRS revenue requirement. As a result of its review and calculations, the Staff is recommending ISRS revenues of \$2,089,404.

STAFF’S REVENUE CALCULATION

The Staff’s determination that the appropriate incremental annual revenue increase for the pending ISRS Application is \$2,089,404 and is based on ISRS plant placed in service during the period covering April 1, 2008 through November 30, 2008. These costs are shown below:

Net ISRS Plant placed in service Apr 2008 thru Nov 2008	\$16,517,515
Accumulated Deferred Taxes for prior ISRSs	(628,859)
Accumulated Depreciation for prior ISRSs	<u>(722,301)</u>
Total ISRS Rate Base	\$15,166,355
Tax Rate of Return per GR-2007-0208	<u>8.4646%</u>
Return on ISRS Rate Base	\$1,283,771
Income Tax	249,270
Annual Depreciation Expense on ISRS Plant Additions	618,358
Annual Depreciation Expense on Plant Retirements	<u>(61,996)</u>

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 4th day of
February, 2009.

In the Matter of the Verified Application and Petition	)	<u>Case No. GO-2009-0221</u>
of Laclede Gas Company to Change its Infrastructure	)	Tariff No. JG-2009-0397
System Replacement Surcharge.	)	Tariff No. YG-2009-0534

**ORDER APPROVING ISRS RATES AND IMPLEMENTING TARIFF
AND GRANTING EXPEDITED TREATMENT**

Issue Date: February 4, 2009

Effective Date: February 6, 2009

On November 21, 2008, Laclede Gas Company filed an application and petition to change its infrastructure system replacement surcharge (ISRS) rate schedule to recover ISRS-eligible costs incurred from April 1, 2008, through September 30, 2008. The specific infrastructure system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

Laclede's request was accompanied by an implementing tariff. The Commission suspended that tariff until March 21, 2009.

Section 393.1015.1(2), RSMo, requires the Commission to publish notice of Laclede's ISRS filing. Therefore, on November 26, 2008, the Commission directed that notice of the filing be mailed to the county commission of the counties served by Laclede, as well as 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 addition, the Commission directed notice to

each party in Laclede's most recent rate case. In the same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than December 16, 2008. No party requested intervention.

Section 393.1015.2(2), RSMo, allows the Staff of the Commission to file a report regarding Laclede's ISRS application no later than 60 days after it was filed. Staff filed its recommendation on January 20, 2009, advising the Commission to approve Laclede's application with certain modifications. Staff recommended that the proposed ISRS rates include ISRS plant placed in service through November 2008 and depreciation and deferred income tax reserves which reflect the implementation date of the ISRS charge. The overall annual revenue requirement recommended by Staff is \$5,620,470. This figure is a composite of the current case plus the continuing revenue recovery from two previous ISRS cases (GO-2008-0155 and GO-2008-0351) with \$2,089,404 being the incremental increase attributed to the current case. Staff and the Company both agree that in future ISRS cases, Laclede will not seek recovery of any additional ISRS-eligible plant put into service prior to November 30, 2008.

Laclede responded to Staff's recommendation on January 21, 2009, with a motion asking the Commission to approve its ISRS and a newly filed implementing tariff effective no later than February 4, 2009.

On January 21, 2009, the Commission ordered its Staff to provide a recommendation regarding the tariff and setting a date for any party wishing to respond to Laclede's proposed tariff to do so no later than January 26. Staff filed its response stating that it "does not oppose the Motion. . ."; however, Staff goes on to say that it believes Laclede's request for expedited treatment has failed to adequately state the harm that will

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2009-0____
Infrastructure System Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2004 Supp.), and 4 CSR 240-2.060, 2.080 and 3.265 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge, respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s ISRS was established effective January 18, 2008 by Commission Order in Case No. GO-2008-0155, covering ISRS eligible investments made in natural gas utility plant projects through September 2007. The Company’s ISRS was last updated on February 4, 2009 for ISRS costs incurred through November 30, 2008, offset by depreciation expense recognized to March 15, 2009.

2. Since Laclede’s ISRS was last changed, the Company has continued to incur ISRS costs. For the period from December 1, 2008 through March 31, 2009, those

6. Other than cases that have been docketed at the Commission, Laclede has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

7. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning December 1, 2008 through March 31, 2009. Consistent with the ISRS change approved in the previous ISRS case, Case No. GO-2009-0221, this application also includes pro forma ISRS costs updated through May 31, 2009. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income, and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2009-0389, File No. YG-2009-0760, Laclede Gas Company

FROM: Michael J. Ensrud, Energy – Tariffs / Rate Design
John Cassidy, - Auditing

/s/ Thomas M. Imhoff 06/26/09
Energy Department/Date

/s/ Robert S. Berlin 06/26/09
General Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Application of Laclede Gas Company Seeking the Missouri Public Service Commission's Approval to Increase an Infrastructure System Replacement Surcharge

DATE: June 26, 2009

BACKGROUND

On April 28, 2009, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri, filed an Application and Petition (Application) to implement a change in Laclede's Infrastructure System Replacement Surcharge (ISRS) with the Missouri Public Service Commission (Commission) with a proposed effective date of July 1, 2009. Missouri statute Sections 393.1000-1015 and the Commission's Rule 4 CSR 240-3.265; Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges allow Gas corporations to recover certain infrastructure system replacement costs outside of a formal rate case through a surcharge on customers' bills.

Laclede filed this tariff sheet (File No. YG-2009-0760) proposing to increase its currently established Infrastructure System Replacement Surcharge (ISRS) rates. The prior ISRS rates were reset to generate a cumulative \$5,620,470 in Filing GO-2009-0221, which the Commission allowed to become effective February 6, 2009.

On May 4, 2009, the Commission issued its order, directing notice, and setting an intervention date of May 24, 2009. On the same date, in a separate order, the Commission suspended the tariff until August 26, 2009.

On May 13, 2009, USW Local 11-6 (Local 11-6) filed an Application to Intervene. On the same day, in a separate filing, Local 11-6 filed an Entry of Appearance.

On May 26, 2009, the Commission granted Local 11-6's Application to Intervene.

On May 27, 2009, the Commission directed Staff to file its report no later than June 27, 2009.

This Memorandum is in response to that Order.

STAFF'S INVESTIGATION

Staff members from the Auditing and Energy Departments participated in the Staff's investigation of the Application. The Staff's investigation included a review of the Application supporting documentation, Missouri statutory sections 393.1009, 393.1012 and 393.1015 RSMo, Commission rules and all additional data provided by Laclede.

THE APPLICATION

The initial case forming the basis of the composite ISRS rates began with Case No. GO-2008-0155 and were calculated on ISRS plant put into service for the period April 1, 2007 through September 30, 2007. In Case No. GO-2008-0351, Laclede's incremental ISRS revenues were calculated on ISRS plant placed into service during the period October 1, 2007 through March 31, 2008. The third ISRS case supporting the current ISRS rates was Case No. GO-2009-0221 which established the appropriate level of incremental ISRS revenues for the period April 1, 2008 through November 30, 2008.

In Laclede's current ISRS Application filed on April 28, 2009, as part of Case No. GO-2009-0389, Laclede seeks to recover costs of ISRS-qualifying plant placed in service from December 1, 2008 through May 31, 2009. Laclede's original application sought ISRS revenues totaling \$2,485,205 based on (1) actual ISRS eligible investment for the period covering December 1, 2008 through March 31, 2008 and (2) pro-forma estimates of ISRS plant additions and retirements for the period April 1, 2009 through May 31, 2009. On June 16, 2009, subsequent to its original ISRS filing, Laclede provided to the Staff additional information that reflected actual plant additions and retirements for the period covering April 1, 2009 through May 31, 2009. Based on this additional information, Laclede lowered its ISRS revenue requirement request to \$2,473,240. This is a difference of approximately \$12,000.

STAFF REVIEW AND REVENUE CALCULATION

Commission Rule 4 CSR 240-3.265 (12) requires the Commission to issue an Order with an effective date no later than 120 days after the utility files an ISRS petition. As part of Case No. GO-2009-0389, Laclede Gas Company requested an adjustment to its ISRS rate schedule to reflect recovery for actual ISRS qualifying plant placed into service during the period covering December 1, 2008 through March 31, 2009. Laclede also requested recovery of pro-forma ISRS costs through May 31, 2009. Subsequent to its initial filing Laclede provided all actual costs associated with ISRS eligible plant that was projected to be placed in service during the period covering April 1, 2009 through May 31, 2009 and has provided all requested records to the Staff for its review. Laclede's request to include all ISRS eligible plant placed into service through May 31, 2009 is consistent with the method used to calculate the ISRS rate approved in Case No. GO-2009-0221, Laclede's previous ISRS filing. This is also consistent with Staff's view that the calculation of the ISRS revenue requirement should closely reflect the revenue requirement at the effective date of the ISRS rates, while allowing sufficient time for Staff review.

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 15th day of July, 2009.

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) **File No. GO-2009-0389**
Infrastructure System Replacement Surcharge) Tariff File No. YG-2009-0760

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

Issue Date: July 15, 2009

Effective Date: July 16, 2009

On April 28, 2009¹, 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. 2008, requesting that the Commission authorize the company to establish an 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. The Commission has suspended that tariff until August 26.

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 December 1, 2008, through May 31, 2009. The specific infrastructure system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

¹ All calendar references are to 2009 unless otherwise indicated.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Laclede's ISRS filing. Therefore, on May 4, 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 May 24. The Commission received an application to intervene from USW Local 11-6, 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 June 26, advising the Commission to approve Laclede's application as amended. Staff stated that Laclede's initial ISRS request was for \$2,485,205; however, Staff stated that on June 16, based upon additional information that reflected actual plant additions and retirements for the period covering April 1 through May 31, Laclede lowered its ISRS revenue requirement request to \$2,473,240.

Laclede responded on July 2, stating that it agreed with and accepted Staff's recommendation. Laclede filed a substitute tariff to reflect the \$2,473,240 ISRS revenue requirement that it and Staff agreed upon. The tariff sheet bears an effective date of August 2, 2009. However, Laclede also filed a Motion for Expedited Treatment, asking that the Commission approve the tariff sheet no later than July 16.

On July 6, the Commission ordered Staff to respond no later than July 8, and permitted any other party to also respond no later than July 8. Staff timely responded,

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2010-0____
Infrastructure System Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2004 Supp.), and 4 CSR 240-2.060, 2.080 and 3.265 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge, respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s ISRS was established effective January 18, 2008 by Commission Order in Case No. GO-2008-0155, covering ISRS eligible investments made in natural gas utility plant projects through September 2007. The Company’s ISRS was last updated on July 16, 2009 for ISRS costs incurred through May 31, 2009, offset by depreciation expense recognized to August 15, 2009.

2. Since Laclede’s ISRS was last changed, the Company has continued to incur ISRS costs. For the period from June 1, 2009 through December 31, 2009, those

6. Other than cases that have been docketed at the Commission, Laclede has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

7. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning June 1, 2009 through December 31, 2009. Consistent with the ISRS change approved in the previous ISRS case, Case No. GO-2009-0389, this application also includes pro forma ISRS costs updated through February 28, 2010. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income, and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2010-0212, File No. YG-2010-0455, Laclede Gas Company

FROM: Lisa Hanneken - Auditing
Michael J. Ensrud, Energy – Tariffs / Rate Design

/s/ Tom Imhoff 03-12-10

Energy Department/Date

/s/ Eric Dearmont 03-12-10

Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Verified Application and Petition
of Laclede Gas Company to Change its Infrastructure System Replacement
Surcharge

DATE: March 12, 2010

BACKGROUND

On January 15, 2010, Laclede Gas Company (“Laclede” or “the Company”) filed with the Missouri Public Service Commission (“the Commission”) its Verified Application and Petition of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge (“Application”). Laclede’s Application, as filed, contains a proposed effective date of March 31, 2010. Laclede’s Application is governed by sections 393.1009 to 393.1015, RSMo (2000)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case through a surcharge on customers’ bills.

Laclede’s currently effective ISRS rates were reset in Case No. GO-2009-0389 and generate annual revenues of \$8,093,710. In conjunction with its Application in the current matter, Laclede filed a tariff sheet, designated as File No. YG-2010-0455, proposing to increase its currently established Infrastructure System Replacement Surcharge (ISRS) rates by \$3,244,969.

¹ Unless otherwise noted, all references to statutes refer to the Missouri Revised Statutes 2000, as currently supplemented.

STAFF REVIEW AND REVENUE CALCULATION

In its Application, Laclede requests an adjustment to its ISRS rate schedule to reflect recovery for actual ISRS qualifying plant placed into service during the period covering June 1, 2009 through December 31, 2009. Laclede also requested the inclusion of estimated ISRS related plant for the time period January 1, 2010 through February 28, 2010.

Staff was able to verify additional ISRS qualifying plant placed into service as of January 31, 2010 and has included this additional amount in its recommendation.

Therefore, Staff’s recommendation and ISRS rates reflect the actual ISRS investment placed into service during the period covering June 1, 2009 through January 31, 2010.

In response to Laclede’s current ISRS filing, Staff reviewed Laclede’s ISRS Application, all supporting work papers and calculations, and participated in meetings and discussions with Laclede personnel.

Based upon its review and calculations, Staff is recommending that Laclede’s proposed revenue requirement be revised and the proposed ISRS rates be rejected. In its place, Staff recommends that Laclede receive an incremental ISRS revenue increase of \$2,818,150.

Staff’s ISRS rates are computed by combining the overall annual ISRS-related revenue requirement from the current ISRS case (GO-2010-0212) with such requirements generated by the four previous ISRS cases (Case No.’s GO-2009-0221, GO-2008-0351, GO-2008-0155 and GO-2009-0389). Staff’s proposed revisions and resulting ISRS rates are projected to recover an annual revenue requirement as follows:

PAST FILINGS		
ISRS Revenue Requirement #1 (GO-2008-0155)	\$1,646,284	
ISRS Revenue Requirement #2 (GO-2008-0351)	\$1,884,782	
ISRS Revenue Requirement #3 (GO-2009-0221)	\$2,089,404	
ISRS Revenue Requirement #4 (GO-2009-0389)	\$2,473,240	
SUB-TOTAL PAST FILINGS		\$8,093,710

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 24th day of March, 2010.

In the Matter of the Verified Application and Petition) **File No. GO-2010-0212**
of Laclede Gas Company to Change its Infrastructure) **Tariff No. YG-2010-0455**
System Replacement Surcharge)

**ORDER APPROVING INFRASTRUCTURE SYSTEM
REPLACEMENT SURCHARGE, AND TARIFF**

Issue Date: March 24, 2010

Effective Date: March 31, 2010

On January 15,¹ Laclede Gas Company (“Laclede”)² filed an application requesting Commission authorization to change its Infrastructure System Replacement Surcharge (“ISRS”).³ Laclede’s currently effective ISRS rates were reset in File No. GO-2009-0389 and generate annual revenues of \$8,093,710. Laclede is proposing to increase its currently established ISRS rates by \$3,244,969. Concurrent with its application, Laclede filed a tariff to implement its proposed changes to the ISRS. That Tariff was assigned tracking number YG-2010-0455. The Commission suspended that tariff until May 15 so it would have adequate time to consider Laclede’s application.⁴

¹ All dates throughout this order refer to the year 2010 unless otherwise noted.

² Laclede is a public utility and gas corporation incorporated under the laws of the State of Missouri, with its principal office located at 720 Olive Street, St. Louis, Missouri 63101. Laclede is engaged in the business of distributing and transporting natural gas to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, St. Genevieve, St. Francois, Madison, and Butler in Eastern Missouri. As a gas corporation and public utility, Laclede is subject to the jurisdiction, supervision and control of the Commission.

³ The application was filed pursuant to Sections 393.1009, 393.1012, and 393.1015, RSMo Cum. Supp. 2009, and Commission Rules 4 CSR 240-2.060, 2.080 and 3.265.

⁴ Section 393.1015.2(3) requires that the Commission act on Laclede’s application no later than 120 days after the petition is filed. Consequently, the Commission must issue an order regarding the application that is effective no later than May 15, 2010.

Pursuant to Section 393.1015.1(2), RSMo Cum. Supp. 2009, the Commission issued notice and set an intervention deadline.⁵ After filing a timely and unopposed application to intervene, USW Local 11-6 was granted intervention. The Commission's Staff and the Office of the Public Counsel ("Public Counsel") are automatically parties by operation of Commission regulations, and neither opted out as parties pursuant to Commission Rule 4 CSR 240-2.010(11) during the intervention period. No party requested a hearing.⁶

Staff filed its report on March 12,⁷ indicating that its Auditing and Energy Departments have examined Laclede's ISRS application. While Laclede requested an ISRS adjustment to reflect recovery for actual ISRS qualifying plant placed into service during the period covering June 1, 2009 through December 31, 2009, it also requested the inclusion of estimated ISRS related plant for the time period January 1, 2010 through February 28, 2010. Staff was able to verify additional ISRS qualifying plant placed into service as of January 31, 2010, and recommends the ISRS rates reflect the

⁵ In its notice, the Commission also directed Laclede to file sample customer notices as required by Commission Rules 4 CSR 240-3.265(8) and (9). Laclede responded on February 26, and asserted that since its prior notices had been approved when its ISRS was approved on January 15, 2008, the Commission need only to take official notice that those notices satisfy the Commission's rule. No party responded to Laclede's assertion by the deadline set for responses. Consequently, since no party is contesting the issue of Laclede's customer notices, and since the Commission has previously found them to be in compliance with the Commission's rules, the Commission finds that Laclede's customer notices are in compliance with its rules.

⁶ Pursuant to Section 393.1015(3) the Commission *may* hold a hearing prior to reaching its decision. Because holding a hearing is totally discretionary, and because no party requested a hearing, this is not a contested case pursuant to Section 536.010(4). The term "hearing" presupposes a proceeding before a competent tribunal for the *trial of issues between adversary parties*, the presentation and the consideration of proofs and arguments, and determinative action by the tribunal with respect to the issues ... 'Hearing' involves an *opposite party*; ... it contemplates a listening to facts and evidence for the sake of *adjudication* ... The term has been held synonymous with 'opportunity to be heard'. (Emphasis added.) *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Com'n of State of Mo.* 776 S.W.2d 494, 495-496 (Mo. App. 1989).

⁷ Section 393.1015.2(2) requires the Staff of the Commission to submit a report regarding Laclede's ISRS application no later than 60 days after filing. Thus, Staff's report was due March 16, 2010.

actual ISRS investment placed into service during the period covering June 1, 2009 through January 31, 2010.

Based on its examination, Staff recommends that the Commission approve Laclede's petition to implement ISRS rate schedules and that Laclede's ISRS rates should be designed to recover additional annual ISRS revenue of \$2,818,150. As previously noted, Laclede's currently effective ISRS rates were reset in File No. GO-2009-0389 and generate annual revenues of \$8,093,710. Staff's recommendation will result in a composite ISRS revenue requirement of \$10,911,860, and Staff's recommended ISRS rates by customer class are contained in Attachment B to its recommendation.

On March 12, Laclede filed its response to Staff's recommendation, agreeing to the amount recommended by Staff. Laclede filed a substitute tariff, representing it was in compliance with Staff's recommendation, and filed a motion for expedited treatment requesting that its tariff be allowed to go into effect no later than March 31, 2010.

The Commission set a deadline for replies to Laclede's response and substitute tariff filing. No party other than Laclede filed a response to Staff's recommendation. No party filed a reply to Laclede's response or its substitute tariff filing.

Based on the verified pleadings, the Commission concludes that Laclede's substitute tariff establishing an ISRS sufficient to recover additional annual pre-tax revenues of \$2,818,159 should be approved. Laclede will be authorized to implement an ISRS rate for each customer class as reflected in Attachment B of Staff's recommendation that are projected to produce \$10,911,860 annually and are consistent with the cumulative revenue requirement presented in this file and past ISRS cases.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company for) Case No. GO-2011-0058
Establishment of an Infrastructure System)
Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY FOR ESTABLISHMENT
OF AN INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2004 Supp.) and 4 CSR 240-2.060, 2.080 and 3.265 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”) and, for its Verified Application and Petition for Establishment of an Infrastructure System Replacement Surcharge, respectfully states as follows:

BACKGROUND

1. On August 28, 2003, Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri became effective. These new statutory provisions authorize eligible gas corporations to recover certain infrastructure replacement costs through the implementation of an infrastructure system replacement surcharge (“ISRS”). Prior to implementing an ISRS, the gas corporation must file a petition with the Commission for review and approval before its rates and charges can be adjusted to provide for the recovery of the ISRS costs. To that end, Laclede submits this Verified Application and Petition.

6. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

THE ISRS REQUEST

7. With this application, Laclede requests an adjustment to its rates and charges through the implementation of an ISRS rate schedule that provides for the recovery of costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning April 1, 2010 through September 30, 2010. Consistent with filings approved in recent Laclede ISRS cases (including Case Nos. GO-2009-0389 and GO-2010-0212), this application also includes pro forma ISRS costs updated through November 30, 2010. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the proposed ISRS rate schedule should reflect the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with the aforesaid infrastructure system replacements. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

8. The infrastructure system replacements for which Laclede seeks ISRS recognition are set forth on Appendix A, which is attached hereto and made a part hereof for all purposes. The infrastructure system replacements listed on Appendix A are

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2011-0058, File No. YG-2011-0225, Laclede Gas Company

FROM: Lisa Hanneken - Auditing
Michael J. Ensrud, Energy – Tariffs / Rate Design

/s/ Tom Imhoff 12-28-10 /s/ Meghan McClowry 12-28-10
Energy Department/Date Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Verified Application and
Petition of Laclede Gas Company to Establish an Infrastructure System
Replacement Surcharge

DATE: December 28, 2010

BACKGROUND

On October 29, 2010, Laclede Gas Company (“Laclede” or “the Company”) filed with the Missouri Public Service Commission (“the Commission”) its “Verified Application and Petition of Laclede Gas Company for Establishment of an Infrastructure System Replacement Surcharge” (“Application”). Laclede’s Application is governed by sections 393.1009 to 393.1015, RSMo (2000)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case, through a surcharge on customers’ bills.

Laclede currently has no ISRS rates. Laclede’s ISRS rates were reset to zero in Case No. GR-2010-0171 on September 1, 2010.

On November 4, 2010, the Commission issued its “Order Directing Notice, Directing Filing, and Setting Intervention Date.”

On November 5, 2010, the Commission issued “Notice of Correction” stating Laclede intends to update the filing to include data reflecting activity through November 30, 2010.

On November 16, 2010, Laclede submitted “Request for Approval of Customer Notices”, as referenced in the initial application, and in the Commission’s November 4 order. Laclede’s submission is in compliance with notice requirements placed in the Commission’s order.

On November 17, 2010, Staff submitted its “Status Report”, indicating that Staff’s anticipated recommendation filing will be no later than December 28, 2010.

¹ Unless otherwise noted, all references to statutes refer to the Missouri Revised Statutes 2000, as currently supplemented.

On December 15, 2010, Laclede filed its notice of extending the “tariff’s effective date”. This submission seeks to extend the effective date of Laclede’s ISRS filing by two days, to January 7, 2011. Staff has no objection to Laclede’s requested effective date.

STAFF’S INVESTIGATION

In its initial submission, Laclede sought ISRS rates commensurate with qualifying activity for the period beginning April 1, 2010, through September 30, 2010. Subsequently, Laclede updated the filing to include activity through November 30, 2010. The impact of these revisions equals a reduction to Laclede’s initial submission by \$79,618 annually.

The Staff recommends a revenue requirement of \$2,490,876, which is \$79,618 less than Laclede’s initially-filed amount. This variance represents the difference between the actual “October through November” plant activities versus the Company’s filed estimate.

These revisions in the requested revenue requirement results in a decrease - from the initially-filed \$2,570,494 annually, to \$2,490,876 annually. The Commission’s acceptance of these revisions will void Laclede’s initially- filed ISRS rates incorporated in YG-2011-225.

STAFF REVIEW AND REVENUE CALCULATION

Commission Rule 4 CSR 240-3.265 (12) requires the Commission to issue an Order with an effective date no later than 120 days after the utility files an ISRS petition. As part of Case No. GO-2011-0058, Laclede Gas Company requested an adjustment to its ISRS rate schedule to reflect recovery for actual ISRS qualifying plant placed into service during the period covering April 1 through September 30, 2010. Laclede also requested recovery of pro-forma ISRS costs through November 30, 2010. Laclede’s request to include all ISRS eligible plant placed into service through November 30, 2010, is consistent with the method used to calculate the ISRS rate approved in Laclede’s previous ISRS filings, Case Nos. GO-2009-0221, GO-2009-0389 and GO-2010-0212. This is also consistent with Staff’s view that the calculation of the ISRS revenue requirement should closely reflect the revenue requirement at the effective date of the ISRS rates.

In response to Laclede’s current ISRS filing, the Staff reviewed Laclede’s ISRS application, all supporting workpapers and calculations, samplings of work orders, and participated in meetings and discussions with Laclede personnel. Subsequent to the original filing, Laclede also provided to the Staff, for its review, updated calculations that reflected qualifying ISRS eligible plant that was placed into service during the months of October and November 2010.

Laclede’s ISRS filing in Case No. GO-2011-0058 represents its first ISRS filing since the conclusion of its most recent rate case proceeding, Case No. GR-2010-0171. Upon the September 1, 2010 effective date of rates that were ordered by the Commission in Case No. GR-2010-0171, all ISRS rate surcharge revenues formerly collected through the previous ISRS surcharge by Laclede (as authorized by the Commission in ISRS Case Nos. GO-2008-0155, GO-2009-0221, GO-2009-0389 and GO-2010-0212) were reset to zero and became part of Laclede’s permanent general retail rates. However, a final reconciliation of the ISRS revenue

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 5th day of January, 2011.

In the Matter of the Application of Laclede Gas Company for Establishment of an Infrastructure System Replacement Surcharge.

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)
)

File No. GO-2011-0058
Tariff No. YG-2011-0225

ORDER APPROVING ISRS RATES, CUSTOMER NOTICES, AND TARIFF

Issue Date: January 5, 2010

Effective Date: January 7, 2011

On October 29, 2010, Laclede Gas Company filed an application and petition to establish an infrastructure system replacement surcharge (ISRS). Laclede requested an ISRS revenue increase of \$2,570,494. Laclede's request was accompanied by an implementing tariff bearing an effective date of January 5, 2011. On December 15, 2010, Laclede extended the tariff effective date to January 7, 2011.

In its application, Laclede seeks to establish its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period April 1, 2010, through September 30, 2010, and updated for costs through November 30, 2010. The specific infrastructure system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

In connection with its ISRS application, on November 16, 2010, Laclede filed a request for approval of sample notices that will inform its customers of the ISRS. The filing and approval of those notices is required by the Commission's ISRS rule, 4 CSR 240-3.265(9).

Section 393.1015.1(2), RSMo, requires the Commission to publish notice of ISRS filings. Therefore, on November 4, 2010, the Commission directed that notice of Laclede's filing be mailed to the county commission of the counties served by Laclede and to the corresponding governing body for the City of St. Louis. The Commission 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 addition, the Commission directed notice to be sent to each party in Laclede's most recent rate case, File No. GR-2010-0171.

The Commission set a filing deadline of November 18, 2010, for interested parties to request intervention. No applications to intervene were received.

Section 393.1015.2(2), RSMo, allows the Staff of the Commission to file a report regarding Laclede's ISRS application no later than 60 days after it was filed. Staff filed its recommendation on December 28, 2010. Based upon Laclede's supplemental data, which amended its original estimate of plant for the period October 1 through November 30 2010, to the actual amount placed in service, Staff determined that Laclede should receive an incremental ISRS revenue increase of \$2,490,876. Therefore, Staff recommended that the Commission (1) reject Laclede's tariff sheet, (2) approve Staff's determination that the appropriate revenue requirement is pre-tax revenues of \$2,490,876 annually; and (3) authorize Laclede to file a new tariff setting an ISRS rate for each customer class as reflected in Attachment B to Staff's recommendation. With regard to Laclede's request for approval of its sample customer notices, Staff advised that Laclede's submission is in compliance with notice requirements contained in the Commission's November 4 order.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2011-03__
Infrastructure System Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE,
AND, IF NECESSARY, REQUEST FOR WAIVER OF RULE 4.020(2)**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2009), and 4 CSR 240-2.060, 2.080, 3.265 and 4.020 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge and, if necessary, Request for Waiver of Rule 4.020(2), respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s current ISRS was established effective January 7, 2011 by Commission Order in Case No. GO-2011-0058, covering ISRS eligible investments made in natural gas utility plant projects through November 30, 2010.

2. Since Laclede’s ISRS was last changed, the Company has continued to incur ISRS costs. For the period from December 1, 2010 through March 31, 2011, those costs result in additional annualized ISRS revenues that exceed the \$1 million threshold

6. Other than cases that have been docketed at the Commission, Laclede has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

7. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning December 1, 2010 through March 31, 2011. Consistent with ISRS changes approved in Laclede's previous ISRS cases, this application also includes pro forma ISRS costs updated through May 31, 2011.

9. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income, and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2011-0361, File No. YG-2011-0556, Laclede Gas Company

FROM: Erin Carle - Auditing
Michael J. Ensrud, Energy – Tariffs / Rate Design
Michael Stahlman, Energy – Tariffs / Rate Design

/s/ Thomas M. Imhoff 06/27/11
Energy Department/Date

Meghan McClowry 06/27/11
Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Verified Application and
Petition of Laclede Gas Company to Increase its Infrastructure System
Replacement Surcharges

DATE: June 27, 2011

BACKGROUND

On May 2, 2011, Laclede Gas Company (“Laclede” or “the Company”) filed with the Missouri Public Service Commission (“the Commission”) its “Verified Application and Petition of Laclede Gas Company To Change Its Infrastructure System Replacement Surcharge, And, If Necessary, Request For Waiver Of Rule 4.020(2)” (“Application”). Laclede’s Application is governed by sections 393.1009 to 393.1015, RSMo (2000)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case, through a surcharge on customers’ bills.

Laclede currently has ISRS rates that generate \$2,490,876 annually. Laclede’s existing ISRS rates were established on January 7, 2011, in Case No. GO-2011-0058.

On May 3, 2011, the Commission issued an Order suspending the tariff until August 30, 2011.

On May 3, 2011, the Commission also issued an “Order Directing Notice, and Setting Intervention Date” for May 23, 2011.

On May 24, 2011, the Commission issued “Order Directing Filing of Staff Report” stating that Staff shall file its report “no later than July 1, 2011”. This report is in compliance with that order.

¹ Unless otherwise noted, all references to statutes refer to the Missouri Revised Statutes 2000, as currently supplemented.

WAIVER

In its Application, Laclede seeks a waiver of Commission Rule 4 CSR 240-4.020(2) which states:

Any regulated entity that intends to file a case likely to be a contested case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission.

Commission Rule 4 CSR 240-4.020(2)(B) further states that “a party may request a waiver of this section for good cause.”

Staff does not oppose that request. Staff notes that in a recent ISRS case, GO-2011-0269, the Commission found that that particular ISRS filing did not need a waiver.

STAFF REVIEW AND REVENUE CALCULATION

In this case, Laclede filed to recover ISRS qualifying plant placed into service during December 1 through March 31, 2011, and pro-forma ISRS eligible plant through May 31, 2011. This request is consistent with the method used to calculate the ISRS rate approved in Laclede’s previous ISRS, approved in Case No. GO-2011-0058. This is also consistent with Staff’s view that the calculation of the ISRS surcharge should closely reflect the revenue requirement at the effective date of the ISRS rates.

In this case, the Staff reviewed Laclede’s ISRS application, all supporting workpapers and calculations, samplings of work orders, and participated in meetings and discussions with Laclede personnel. Staff also reviewed, updated calculations for qualifying ISRS eligible plant placed into service during April and May 2011.

This case is Laclede’s second ISRS filing since its most recent rate case, Case No. GR-2010-0171. The amount approved for the first ISRS filing since was \$2,490,876 annually. In accord with Staff’s calculation of ISRS surcharges, accumulated deferred income taxes and depreciation on ISRS plant approved in Laclede’s last ISRS filing are routinely updated in subsequent ISRS filings. Staff’s proposed ISRS rates are projected to recover an annual revenue requirement as follows:

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 6th day
of July, 2011.

In the Matter of the Verified Application and	)	<u>File No. GO-2011-0361</u>
Petition of Laclede Gas Company to Change its	)	Tariff File No. YG-2011-0556
Infrastructure System Replacement Surcharge	)	Tariff File No. YG-2012-0007

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

Issue Date: July 6, 2011

Effective Date: July 8, 2011

On May 2, 2011¹, 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. 2010, 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. The Commission has suspended that tariff until August 30.

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 December 1, 2010, through March 31, 2011, including pro forma ISRS costs updated through May 31, 2011. The specific infrastructure

¹ All calendar references are to 2009 unless otherwise indicated.

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 Laclede's ISRS filing. Therefore, on May 3, 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 May 23. The Commission received no intervention requests.

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 June 27, advising the Commission to reject the May 2 tariff sheets. Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$2,339,633. Instead, Staff Recommends that Laclede be authorized to file ISRS rates as reflected in Attachment B to the Staff Recommendation. Tariff sheets comporting with Attachment B would allow Laclede to recover \$2,319,935.

Laclede responded on June 27, stating that it agreed with and accepted Staff's recommendation. Laclede filed a substitute tariff to reflect the \$2,319,935 incremental ISRS revenue requirement that it and Staff agreed upon. The tariff sheet bears an effective date of July 28. But it was accompanied by a Motion for Expedited Treatment, asking that the Commission approve the tariff sheet no later than July 8. Staff filed its Recommendation on July 5, stating that the substitute tariff complies with its

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2012-01____
Infrastructure System Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2009), and 4 CSR 240-2.060, 2.080, and 3.265 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge, respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s current ISRS was established effective January 7, 2011 by Commission Order in Case No. GO-2011-0058, covering ISRS eligible investments made in natural gas utility plant projects through November 30, 2010.

2. The Company’s ISRS was last updated effective July 8, 2011 for ISRS costs incurred through May 31, 2011. Since Laclede’s ISRS was last changed, the Company has continued to incur ISRS costs. For the period from June 1, 2011 through September 30, 2011, those costs result in additional annualized ISRS revenues that exceed the \$1 million threshold necessary to make an ISRS filing. Accordingly, Laclede submits this Application and Petition to change its ISRS to reflect these additional costs.

7. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning June 1, 2011 through September 30, 2011. Consistent with ISRS changes approved in Laclede's previous ISRS cases, this application also includes pro forma ISRS costs updated through November 30, 2011.

9. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income, and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

10. The infrastructure system replacements for which Laclede seeks ISRS recognition are set forth on Appendix A, which is attached hereto and made a part hereof for all purposes. The infrastructure system replacements listed on Appendix A are eligible gas utility plant projects in that they are either: a) mains, valves, service lines,

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2012-0145, File No. YG-2012-0209, Laclede Gas Company

FROM: Roberta Grissum - Auditing
Michael Stahlman, Energy - Tariffs / Rate Design

/s/Tom Imhoff 1-4-12
Energy Unit/Date

/s/Lera Shemwell 1-4-12
Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation **to Approve** an increase in Laclede Gas Company Infrastructure System Replacement Surcharges

DATE: January 4, 2012

BACKGROUND

On November 9, 2011, Laclede Gas Company ("Laclede" or "the Company") filed with the Missouri Public Service Commission ("the Commission") its "Verified Application and Petition of Laclede Gas Company To Change Its Infrastructure System Replacement Surcharge" ("Application"). Laclede's Application is governed by sections 393.1009 to 393.1015, RSMo (2000 as currently supplemented)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case, through a surcharge on customers' bills.

Laclede currently has infrastructure system replacement surcharge ("ISRS") rates that generate \$4,810,811 annually. Existing Laclede ISRS rates were established in Case Nos. GO-2011-0058 on January 7, 2011, and GO-2011-0361 on July 8, 2011.

On November 14, 2011, the Commission issued "Order Directing Notice, and Setting Intervention Date". The intervention date was set for December 5, 2011.

On December 7, 2011, the Commission issued "Order Directing Filing of Staff Report" stating that Staff shall file its report or "a pleading stating when it plans to file its report and whether it wishes the Commission to suspend the tariff, no later than December 16, 2011."

On December 15, 2011, the Staff filed "Staff Response to Order Directing Filing of Staff Report" stating Staff's expectation of filing its final Report no later than January 5, 2012, and that a suspension would only be necessary in the event of complications in the way the case proceeds. This report is in response to the Commission directive and within the expectations of the Staff response.

STAFF REVIEW AND REVENUE CALCULATION

¹ Unless otherwise noted, all references to statutes refer to the Missouri Revised Statutes 2000, as currently supplemented.

Laclede's last ISRS filing requested recovery of infrastructure replacement costs for the period December 1, 2010 through May 31, 2011. In this proceeding, Laclede filed to recover ISRS qualifying infrastructure replacement costs incurred during the period June 1, 2011 through September 30, 2011, and pro-forma costs through November 30, 2011. This request is consistent with the method used to calculate the ISRS rate approved in Laclede's previous ISRS filing, Case No. GO-2011-0361. This is also consistent with Staff's view that the calculation of the ISRS surcharge should closely reflect the revenue requirement that will exist on the effective date of the ISRS rates. In this proceeding, the effective date of the tariff for the new ISRS rate submitted by the Company is currently set as January 13, 2012, which reflects expedited treatment.

The Auditing Unit Staff has reviewed Laclede's ISRS application including all supporting workpapers and calculations, an audit sample of work orders, and coordinated with Laclede personnel to gain clarification when necessary. Staff also reviewed the Company's updated calculations for qualifying ISRS eligible plant placed into service during October and November 2011 based upon actual qualifying infrastructure replacement costs incurred during that time period.

The methodology used by the Auditing Unit Staff allows Staff to consider all accumulated depreciation and deferred income taxes on ISRS qualifying infrastructure replacements costs through the 120-day effective date, which in this proceeding is February 28, 2012. This methodology is consistent with past reviews conducted by the Auditing Unit Staff.

This case is Laclede's third ISRS filing following its most recent rate case, Case No. GR-2010-0171. The ISRS revenue requirement approved by the Commission in Laclede's first ISRS filing, Case No. GO-2011-0058, was \$2,490,876 annually. The Commission approved an annual ISRS revenue requirement of \$2,319,935 in Case No. GO-2011-0361. In this case, the Auditing Unit Staff is recommending an annual ISRS revenue requirement of \$1,953,734 be approved for Laclede's third ISRS filing.

Consistent with Staff's calculation of ISRS surcharges, accumulated deferred income taxes and depreciation on ISRS plant in previous ISRS filings, the Auditing Unit Staff routinely updates surcharges in subsequent ISRS filings to reflect a cumulative revenue requirement consisting of all approved ISRS surcharges in effect. Therefore, the Auditing Unit Staff presents ISRS rates presented below summarized on a cumulative basis and projected to be recovered on an annual basis as follows:

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 11th day of January, 2012.

In the Matter of the Verified Application and	)	<u>File No. GO-2012-0145</u>
Petition of Laclede Gas Company to Change its	)	Tariff No. YG-2012-0209
Infrastructure System Replacement Surcharge	)	Tariff No. YG-2012-0320

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

Issue Date: January 11, 2012

Effective Date: January 13, 2012

On November 9, 2011¹, 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. 2010, 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 has an effective date of January 13, 2012.

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 through September 30, including pro forma ISRS costs updated through November 30. The specific infrastructure system replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

¹ All calendar references are to 2011 unless otherwise indicated.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Laclede's ISRS filing. Therefore, on November 14, 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 December 5. The Commission received no intervention requests.

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 January 4, 2012, advising the Commission to reject the May 2 tariff sheets.

Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$2,042,731. Instead, Staff recommends that Laclede be authorized to file ISRS rates as reflected in Attachment B to the Staff Recommendation. Tariff sheets comporting with Attachment B would allow Laclede to recover an incremental amount of annual pre-tax revenues of \$1,953,734.

Laclede responded on January 5, 2012, stating that it agreed with and accepted Staff's recommendation. Laclede filed a substitute tariff to reflect the \$1,953,734 incremental ISRS revenue requirement that it and Staff agreed upon. The tariff sheet bears an effective date of January 13, 2012. Laclede also included a Motion for Expedited Treatment with its response, asking that the Commission approve the tariff

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2012-03__
Infrastructure System Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2009), and 4 CSR 240-2.060, 2.080, and 3.265 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge, respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s current ISRS was established effective January 13, 2012 by Commission Order in Case No. GO-2012-0145, covering ISRS eligible investments made in natural gas utility plant projects through November 30, 2011.

2. Since Laclede’s ISRS was last changed, the Company has continued to incur ISRS costs. For the period from December 1, 2011 through March 31, 2012, those costs result in additional annualized ISRS revenues that exceed the \$1 million threshold necessary to make an ISRS filing. Accordingly, Laclede submits this Application and Petition to change its ISRS to reflect these additional costs.

7. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning December 1, 2011 through March 31, 2012. Consistent with ISRS changes approved in Laclede's previous ISRS cases, this application also includes pro forma ISRS costs updated through May 31, 2012.

9. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income, and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

10. The infrastructure system replacements for which Laclede seeks ISRS recognition are set forth on Appendix A, which is attached hereto and made a part hereof for all purposes. The infrastructure system replacements listed on Appendix A are eligible gas utility plant projects in that they are either: a) mains, valves, service lines,

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2012-0356, File No. YG-2012-0623, Laclede Gas Company

FROM: Sarah Sharpe - Auditing
Michael Ensrud - Energy - Tariffs / Rate Design

/s/ Tom Imhoff 06-25-2012
Energy Unit/Date

/s/ Lera Shemwell 06-25-2012
Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Verified Application and
Petition of Laclede Gas Company to Increase its Infrastructure System
Replacement Surcharges

DATE: June 25, 2012

BACKGROUND

On April 27, 2012, Laclede Gas Company ("Laclede" or "Company") filed with the Missouri Public Service Commission ("Commission") its "Verified Application and Petition of Laclede Gas Company to Change Its Infrastructure System Replacement Surcharge" ("Application"). Laclede's Application is governed by sections 393.1009 to 393.1015, RSMo (2000)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case, through a surcharge on customers' bills.

This case is Laclede's fourth ISRS filing following its most recent rate case, Case No. GR-2010-0171. Laclede currently has in place infrastructure system replacement surcharges ("ISRS") rates that cumulatively generate \$6,764,545 annually. Existing Laclede ISRS rates were established in Case Nos. GO-2011-0058 on January 7, 2011, GO-2011-0361 on July 8, 2011, and GO-2012-0145 on January 13, 2012.

In its application, Laclede requested a variation from standard procedure by requesting a July 9, 2012 effective date of the tariff, which is approximately 73 days from the date of Application. The Staff has filed a response to this request seeking the full 120 day suspension period.

On April 30, 2012, the Commission issued its "Order Directing Notice, and Setting Intervention Date." The intervention date was set for May 21, 2012.

On May 29, 2012, the Commission issued its "Order Granting Application To Intervene," of USW Local 11-6

¹ Unless otherwise noted, all references to statutes refer to the Missouri Revised Statutes 2000, as currently supplemented.

On May 29, 2012, the Commission issued its “Order Directing Filing of Staff Report,” with a due date of June 26, 2012.

On May 31, 2012, Staff submitted “Staff Response to Laclede’s Proposed Tariff Effective Date and Motion to Suspend Tariff Filing”.

On June 11, 2012, Laclede filed a Reply to Staff Response Regarding Suspension of Tariff.

On June 20, 2012, Staff filed a response to Laclede’s response pertaining to the July 9, 2012 tariff effective date.

STAFF REVIEW AND REVENUE CALCULATION

In its Application, Laclede filed to recover ISRS qualifying infrastructure replacement costs incurred during the period December 1, 2011 through March 31, 2011, and pro-forma costs through May 31, 2012. This request is consistent with the method used to calculate the ISRS rate approved in Laclede’s previous ISRS filings. This is also consistent with Staff’s view that the calculation of the ISRS surcharge should closely reflect the revenue requirement that will exist on the effective date of the ISRS rates.

The Auditing Unit Staff has reviewed Laclede’s ISRS application including all supporting workpapers and calculations, an audit sample of work orders, and conducted meetings with Laclede personnel to gain clarification of Laclede’s Application when necessary. Staff also reviewed the Company’s updated calculations for qualifying ISRS eligible plant placed into service during April and May 2012 based upon actual qualifying infrastructure replacement costs incurred during that time period.

The methodology used by the Auditing Unit Staff allows Staff to consider all accumulated depreciation and deferred income taxes on ISRS qualifying infrastructure replacements costs through August 31, 2012. This methodology is consistent with past reviews conducted by the Auditing Unit Staff, and is consistent with Staff’s view that the calculation of the ISRS revenue requirement should closely reflect the revenue requirement at the 120-day effective date of the ISRS rates, which in this case is August 25, 2012.

Upon Application and in compliance with Commission rules, Staff routinely updates surcharges in ISRS filings to reflect a cumulative revenue requirement consistent with Staff’s calculation of all ISRS surcharges, accumulated deferred income taxes, and depreciation on ISRS plant from previous ISRS filings. As a result of this update, Staff presents the table below:

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 27th day of June, 2012.

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change its	)	<u>File No. GO-2012-0356</u>
Infrastructure System Replacement Surcharge	)	Tariff File No. YG-2012-0623

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

Issue Date: June 27, 2012

Effective Date: July 9, 2012

On April 27, 2012¹, 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. 2010, 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 has an effective date of July 9.

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 December 1, 2011 through March 31, including pro forma ISRS costs updated from April 1 through May 31. The specific infrastructure system

¹ All calendar references are to 2011 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 April 30, 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 May 21. The Commission received an intervention request from USW Local 11-6, 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 June 22, advising the Commission to reject the tariff sheets.

Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$3,054,771. Instead, Staff recommends that Laclede be authorized 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 \$3,222,113.

On June 22, the Commission ordered Laclede to respond to Staff's Recommendation no later than noon, June 26. That same order also allowed any other party to respond by that same deadline.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
 Petition of Laclede Gas Company to Change its) Case No. GO-2013-03__
 Infrastructure System Replacement Surcharge)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2009), and 4 CSR 240-2.060, 2.080, and 3.265 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge, respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s current ISRS was established effective January 7, 2011 by Commission Order in Case No. GO-2011-0058.

2. Since Laclede’s ISRS was established, it has been changed three times. The most recent change became effective on July 9, 2012, covering ISRS costs incurred through May 31, 2012. Since May 31, the Company has continued to incur ISRS costs. For the period from June 1, 2012 through November 30, 2012, those costs result in additional annualized ISRS revenues that exceed the \$1 million threshold necessary to make an ISRS filing. Accordingly, Laclede submits this Application and Petition to change its ISRS to reflect these additional costs.

7. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period June 1, 2012 through November 30, 2012. Consistent with ISRS changes approved in Laclede's previous ISRS cases, this application also includes pro forma ISRS costs updated through January 31, 2013.

9. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such ISRS income, and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

10. The infrastructure system replacements for which Laclede seeks ISRS recognition are set forth on Appendix A, which is attached hereto and made a part hereof for all purposes. The infrastructure system replacements listed on Appendix A are eligible gas utility plant projects in that they are either: a) mains, valves, service lines,

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2013-0352, File No. YG-2013-0316, Laclede Gas Company

FROM: Erin Carle - Auditing
Michael J. Ensrud - Energy - Tariffs / Rate Design

/s/ Tom Imhoff 03/07/2013
Energy Unit/Date

/s/ Amy E. Moore 03/07/2013
Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Verified Application and
Petition of Laclede Gas Company to Change its Infrastructure System
Replacement Surcharges

DATE: March 7, 2013

BACKGROUND

On January 11, 2013, Laclede Gas Company (“Laclede” or “Company”) filed with the Missouri Public Service Commission (“Commission”) its “*Verified Application and Petition of Laclede Gas Company to Change Its Infrastructure System Replacement Surcharge*” (“Application”). Laclede’s Application is governed by sections 393.1009 to 393.1015, RSMo (2000)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case, through a surcharge on customers’ bills.

This case is Laclede’s fifth ISRS filing following its most recent rate case, Case No. GR-2010-0171. Laclede currently has in place infrastructure system replacement surcharges (“ISRS”) rates that cumulatively generate \$9,986,658 annually. Existing Laclede ISRS rates were established in Case Nos. GO-2011-0058 on January 7, 2011, GO-2011-0361 on July 8, 2011, GO-2012-0145 on January 13, 2012, and GO-2012-0356 on July 9, 2012.

In its application, Laclede requested an additional \$5,649,729 increment. Laclede proposed an effective date of February 11, 2013.

On January 15, 2013, the Commission issued an *Order Suspending Tariff, Direction Notice and Setting Intervention Date*. The order suspended the effective date to May 11, 2013, and required Staff to file its memo by February 28, 2013.

On February 4, 2013, Missouri Industrial Energy Consumers (“MIEC”) filed an *Application to Intervene of the Missouri Industrial Energy Consumers*.

On February 19, 2013, the Commission issued an *Order Granting Intervention and Directing Filing of Staff Report* requiring Staff to file its memo by March 12, 2013.

On February 28, 2013, Staff filed a *Status Update* indicating Staff's intent to file its report by March 12, 2013.

STAFF REVIEW AND REVENUE CALCULATION

Laclede's last ISRS filing requested recovery of infrastructure replacement costs for the period of December 1, 2011, through March, 31, 2012, with updates through May 2012. In this proceeding, Laclede filed to recover infrastructure replacement costs incurred during the period of June 1, 2012, through November 30, 2012, with updates of pro forma ISRS costs updated through January 31, 2013. This request is consistent with the method used to calculate the ISRS rate approved in Laclede's previous ISRS filing.

Auditing Unit Staff has reviewed Laclede's ISRS application including all supporting workpapers and calculations, an audit sample of work orders, and conducted meetings with Laclede personnel to gain clarification when necessary. Staff also reviewed the Company's updated calculations for qualifying ISRS eligible plant placed into service by January 31, 2013 based upon actual qualifying infrastructure replacement costs incurred during that time period.

The methodology used by the Auditing Unit Staff allows Staff to consider all accumulated depreciation and deferred income taxes on ISRS qualifying infrastructure replacements costs through April 30, 2013. This methodology is consistent with past reviews conducted by the Auditing Unit Staff, and is consistent with Staff's view that the calculation of the ISRS revenue requirement should closely reflect the revenue requirement at the 120-day effective date of the ISRS rates, which in this case is May 11, 2013.

This case is Laclede's fifth ISRS filing following its most recent rate case, Case No. GR-2010-0171. The ISRS revenue requirements previously approved by the Commission are as follows: Case No. GO-2011-0058 with an approved revenue requirement of \$2,490,876; Case No. GO-2011-0361 with an approved revenue requirement of \$2,319,935; Case No. GO-2012-0145 with an approved revenue requirement of \$1,953,734; and Case No. GO-2012-0356 with an approved revenue requirement of \$3,222,113. In this current case, the Auditing Unit Staff is recommending an incremental annual ISRS revenue requirement of \$4,824,037 be approved for Laclede's fifth ISRS filing.

**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

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company for)
Establishment of an Infrastructure System)
Replacement Surcharge for its Laclede Division) Case No. GO-2014-0_____

**VERIFIED APPLICATION AND PETITION OF LACLEDE GAS COMPANY
FOR ESTABLISHMENT OF AN INFRASTRUCTURE SYSTEM
REPLACEMENT SURCHARGE FOR ITS LACLEDE DIVISION**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2004 Supp.) and 4 CSR 240-2.060, 2.080 and 3.265 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”) and, for its Verified Application and Petition for Establishment of an Infrastructure System Replacement Surcharge for its Laclede Division, respectfully states as follows:

BACKGROUND

1. On August 28, 2003, Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri became effective. These new statutory provisions authorize eligible gas corporations to recover certain infrastructure replacement costs through the implementation of an infrastructure system replacement surcharge (“ISRS”). Prior to implementing an ISRS, the gas corporation must file a petition with the Commission for review and approval before its rates and charges can be adjusted to provide for the recovery of the ISRS costs. To that end, Laclede submits this Verified Application and Petition.

5. Other than cases that have been docketed at the Commission, Laclede has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

6. Laclede is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

THE ISRS REQUEST

7. With this application, Laclede requests an adjustment to its rates and charges through the implementation of an ISRS rate schedule that provides for the recovery of costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period beginning February 1, 2013 through December 31, 2013. Consistent with filings approved in Laclede ISRS cases dating back to 2009, this application also includes pro forma ISRS costs updated through February 28, 2014. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the proposed ISRS rate schedule should reflect the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with the aforesaid infrastructure system replacements. Laclede also seeks to recover all federal, state and local income or excise taxes applicable to such ISRS income and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.

A. Eligibility of Costs

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GO-2014-0212, File No. YG-2014-0302, Laclede Gas Company

FROM: Erin Carle - Auditing
Joel McNutt - Energy - Tariffs / Rate Design

/s/ Lisa Hanneken 03/18/2014
Auditing Unit / Date

/s/ Tom Imhoff 03/18/2014
Energy Unit/Date

/s/ John Borgmeyer 03/18/2014
Staff Counsel's Office/Date

SUBJECT: Staff Report and Recommendation Regarding the Verified Application and Petition of Laclede Gas Company for Establishment of an Infrastructure System Replacement Surcharge for its Laclede Division.

DATE: March 18, 2014

BACKGROUND

On January 17, 2014, Laclede Gas Company (“Laclede” or “Company”) filed with the Missouri Public Service Commission (“Commission”) its “Verified Application and Petition of Laclede Gas Company for Establishment of an Infrastructure System Replacement Surcharge for its Laclede Division” (“Application”). Laclede’s Application is governed by sections 393.1009 to 393.1015, RSMo (2000)¹ and Commission Rule 4 CSR 240-3.265 (Natural Gas Utility Petitions for Infrastructure System Replacement Surcharges), which allow Gas corporations, such as Laclede, to recover certain qualifying infrastructure system replacement costs outside of a formal rate case, through a surcharge on customers’ bills.

This case is Laclede’s first ISRS filing following its most recent rate case, Case No. GR-2013-0171. Laclede currently has in place infrastructure system replacement surcharges (“ISRS”) rates that cumulatively generate \$0 annually. Existing Laclede ISRS rates were reset to zero in Case No. GR-2013-0171.

In its application, Laclede requested an ISRS of \$7,402,628. Laclede proposed an effective date of February 17, 2014.

On January 21, 2014, the Commission issued its ORDER SUSPENDING TARIFF, DIRECTING NOTICE AND SETTING INTERVENTION DATE. This Order suspended the effective date of the tariff to May 17, 2014.

On February 11, 2014, the Commission issued ORDER GRANTING INTERVENTION AND DIRECTING FILING OF STAFF REPORT, requiring Staff to file its memo by March 18, 2014. This recommendation is in response to this Order.

Attachment A

STAFF REVIEW AND REVENUE CALCULATION

Laclede's filing in Case No. GO-2014-0212 represents its first ISRS filing since the conclusion of its most recent rate case, Case No. GR-2013-0171. Upon the July 8, 2013 effective date of rates that were ordered by the Commission in Case No. GR-2013-0171, all ISRS rate surcharge revenues formerly collected through the previous ISRS surcharge by Laclede (as authorized by the Commission in ISRS Case Nos. GO-2011-0058, GO-2011-0361, GO-2012-0145, GO-2012-0356, and GO-2013-0352) were reset to zero and became part of Laclede's permanent general retail rates. In this proceeding, Laclede filed to recover eligible infrastructure replacement costs incurred during the period of February 1, 2013 through December 31, 2013, with updates of pro forma ISRS costs through February 28, 2014.

The Auditing Unit Staff has reviewed Laclede's ISRS application and all supporting workpapers and calculations, responses to Staff's data requests, (including an audit sample of work orders), and conducted meetings with Laclede personnel to gain clarification and further information when necessary.

Laclede's original filing and updated data in this case contemplated accumulated depreciation and deferred income taxes on ISRS qualifying infrastructure replacement costs through May 31, 2014. However, given that the May 31st date is beyond the operation of law date for this case Staff made an adjustment to only recognize these costs through May 15, 2014. This methodology is consistent with past reviews conducted by the Auditing Unit Staff, and is consistent with Staff's view that the calculation of the ISRS revenue requirement should closely reflect the revenue requirement at the 120-day effective date of the ISRS rates, which in this case is May 17, 2014, but not exceed that date. Staff made adjustments to account for this date difference.

The ISRS rule 4 CSR 240-3.265 for Natural Gas Infrastructure System Replacement Surcharges sets forth the definitions of natural gas utility plant projects that are eligible for ISRS treatment. In order to determine the eligibility of the requested ISRS projects, Staff required additional information from Laclede Gas. This information was provided in a response to Staff Data Request No. 1 on February 24, 2014, as well as through an update on March 11, 2014. After reviewing these responses, Staff concluded that each of the projects met the ISRS rule qualifications.

Commission rule 4 CSR 240-3.265(17) requires that Staff reconcile the ISRS revenue Laclede collected from customers in the prior effective period to account for over- or under-collection of ISRS revenue. Therefore, Staff has performed a final reconciliation of the ISRS revenue previously collected by the Company to ensure that either the Company or its customers are

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 2nd day of April, 2014.

In the Matter of the Verified Application and	)	<u>File No. GO-2014-0212</u>
Petition of Laclede Gas Company to Change its	)	Tariff File No. YG-2014-0302
Infrastructure System Replacement Surcharge	)	Tariff File No. YG-2014-0376

**ORDER APPROVING UNANIMOUS STIPULATION
AND AGREEMENT, ORDER GRANTING MOTION FOR
EXPEDITED TREATMENT AND ORDER APPROVING TARIFF**

Issue Date: April 2, 2014

Effective Date: April 12, 2014

On January 17, 2014¹, Laclede Gas Company (“Laclede”) 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 establish an Infrastructure System Replacement Surcharge (“ISRS”) for numerous gas utility plant projects. The Commission issued notice of the application on January 21, giving potential intervenors until February 10 to request intervention. The Commission received no intervention requests.

The Commission’s Staff filed its recommendation regarding Laclede’s ISRS application on March 18. Staff reported it had reviewed that application and had examined the supporting documentation that the company submitted along with its application. Staff recalculated the amount Laclede should be allowed to recover through its ISRS and

¹ All calendar references are to 2014 unless otherwise indicated.

concluded that Laclede should be allowed to recover incremental ISRS surcharge revenues of \$7,062,051.

On March 27, the Office of the Public Counsel requested a hearing regarding Laclede's ISRS revisions. On March 28, Laclede, Staff, and Public Counsel filed a unanimous stipulation and agreement to resolve all matters in dispute.

The parties agreed the Commission should approve a revised tariff sheet that carries an effective date of April 28 (Tariff Tracking No. YG-2014-0376). Laclede also agreed to provide additional documentation in all future ISRS applications and agreed not to include expenses associated with certain specified project numbers. Finally, Laclede requested that the Commission approve the revised tariff sheet on an expedited basis to allow it to take effect on April 12.

Based on the Commission's impartial and independent review of Laclede's application Staff's recommendation, and the unanimous stipulation and agreement of the parties, the Commission finds that MGE's application complies with Sections 393.1009 to 393.1015, RSMo. The Commission concludes that Laclede shall be permitted to amend its ISRS to recover ISRS incremental surcharge revenues as provided in the tariff it submitted on March 28.

Since the tariff Laclede submitted complies with the stipulation and agreement, the Commission will approve that tariff to be effective on April 12, as requested by Laclede. Also, based on the unanimous stipulation and agreement, the Commission finds good cause to make this order effective on April 12 to match the effective date of the agreed-upon tariff.

THE COMMISSION ORDERS THAT:

1. The unanimous stipulation and agreement filed on March 28, 2014 is approved and the signatories are ordered to comply with the terms of that document.
2. Laclede Gas Company is authorized to amend its Infrastructure System Replacement Surcharge sufficient to recover incremental ISRS revenues as specified in the unanimous stipulation and agreement.
3. The motion for expedited treatment filed by Laclede Gas Company is granted.
4. The tariff sheet filed by Laclede Gas Company on January 17, 2014, and assigned Tariff Tracking No. YG-2014-0302, is rejected.
5. The tariff sheet filed by Laclede Gas Company on March 28, 2014, and assigned Tariff Tracking No. YG-2014-0376 is approved to be effective on April 12, 2014.

The sheet approved is:

**P.S.C. MO No. 5 Consolidated
Twenty-Second Revised Sheet No. 12,
CANCELLING Twenty-First Revised Sheet No. 12**

6. This order shall become effective on April 12, 2014.
7. This file shall be closed on April 13, 2014.

BY THE COMMISSION



Morris L. Woodruff
Secretary



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

Pridgin, Deputy Chief Regulatory Law Judge

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change its) Case No. GO-2015-00__
Infrastructure System Replacement Surcharge in)
Its Laclede Gas Service Territory)

**VERIFIED APPLICATION AND PETITION
OF LACLEDE GAS COMPANY TO CHANGE ITS
INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE
IN ITS LACLEDE GAS SERVICE TERRITORY**

COMES NOW Laclede Gas Company (“Laclede” or "Company"), pursuant to Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri (2009), and 4 CSR 240-2.060, 2.080, and 3.265 of the Rules of the Missouri Public Service Commission (“Commission”), and for its Verified Application and Petition to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory, respectfully states as follows:

I. BACKGROUND

1. Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri authorize eligible gas corporations to recover certain infrastructure replacement costs by establishing and updating an infrastructure system replacement surcharge (“ISRS”). Laclede’s current ISRS was established effective April 12, 2014 by Commission Order in Case No. GO-2014-0212, covering ISRS costs incurred through February 28, 2014.

2. Since February 28, 2014, the Company has continued to incur ISRS costs. For the period from March 1, 2014 through August 31, 2014, those costs result in additional annualized ISRS revenues that exceed \$1 million. Accordingly, Laclede submits this Application and Petition to change its ISRS to reflect these additional costs.

federal agency or court which involve customer service or rates within three years of the date of this application.

7. Laclede is current on its annual report and assessment fee obligations to the Commission; no such report or assessment fee is overdue.

III. THE ISRS REQUEST

8. With this application, Laclede requests an adjustment to its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements that were made during the period March 1, 2014 through June 30, 2014. Consistent with ISRS changes approved in Laclede's previous ISRS cases, this application also includes pro forma ISRS costs updated through August 31, 2014. Finally, in accordance with the Unanimous Stipulation and Agreement approved by the Commission in Laclede's previous ISRS case, Case No. GO-2014-0212, this application also includes ISRS costs from Work Orders 60418 and 60419 pertaining to the replacement of worn and deteriorated telemetric equipment.

9. In accordance with the provisions of Sections 393.1009-1015 and 4 CSR 240-3.265, the revised ISRS rate schedule reflects the appropriate pre-tax ISRS revenues necessary to produce net operating income equal to Laclede's weighted cost of capital multiplied by the net original cost of the requested infrastructure replacements during this period that are eligible for the ISRS, including recognition of accumulated deferred income taxes and accumulated depreciation associated with eligible infrastructure system replacements that were included in Laclede's currently effective ISRS. Laclede also seeks to recover all state, federal and local income or excise taxes applicable to such

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. GR-2015-0026, Tariff Tracking No. YG-2015-0027 – Laclede Gas
Company

FROM: Matthew Young, Auditing Department
Joel Molina, Auditing Department
Charles Hyneman, Auditing Department
Henry Warren, Tariffs/Rate Design - Energy
Tom Imhoff, Tariffs/Rate Design – Energy

/s/Charles Hyneman 09/23/14

/s/Tom Imhoff 09/23/14

Project Coordinator / Date

/s/Akayla Jones 09/23/14

Staff Counsel's Office / Date

SUBJECT: Staff Report and Recommendation Regarding the Application and
Petition of Laclede Gas Company Seeking the Missouri Public Service
Commission's Approval to Increase Its Infrastructure System Replacement
Surcharge

DATE: September 23, 2014

BACKGROUND

On July 25, 2014, Laclede Gas Company ("Laclede" or "Company") filed an Application and Petition ("Application") with the Missouri Public Service Commission ("Commission") to implement a change in Laclede's Infrastructure System Replacement Surcharge (ISRS) and a revised Tariff Sheet with a proposed effective date of August 25, 2014.

Laclede made its filing pursuant to Missouri Revised Statutes Sections 393.1009 through 393.1015, RSMo Cum. Supp. 2011 and Commission Rule 4 CSR 240-3.265, which allow Missouri natural gas corporations to file a petition and proposed rate schedule with the Commission to recover certain infrastructure system replacement costs outside a formal rate case through a surcharge on customers' bills.

Laclede asserts that it has continued to incur costs related to ISRS-eligible infrastructure system replacements. For the period from March 31, 2014 through August 31, 2014, Laclede claims those costs entitle Laclede to \$3,149,162 (per Laclede's July 25, 2014 Application). Laclede's requested amount was revised to \$2,828,702 based on Laclede's September 16, 2014 updated request.

The Commission issued an "Order Directing Notice, Directing Filings And Setting Intervention Deadline" on July 30, 2014, but did not suspend the pending tariff.

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 15th day of October, 2014.

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change	)	<u>File No. GR-2015-0026</u>
Its Infrastructure System Replacement Surcharge	)	Tariff No. YG-2015-0027
In its Laclede Gas Service Territory)	

**ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT
AND GRANTING REQUEST FOR EXPEDITED TREATMENT**

Issue Date: October 15, 2014

Effective Date: October 15, 2014

On July 25th,¹ Laclede Gas Company (“Laclede”) filed a verified application and petition with the Commission pursuant to sections 393.1009, 393.1012, and 393.1015,² and Commission Rules 4 CSR 240-2.060, 2.080, and 3.265, requesting that the Commission authorize it to change its Infrastructure System Replacement Surcharge (“ISRS”) rate schedule to reflect infrastructure system replacements made during the period from March 1st through August 31st. Laclede sought additional annual ISRS revenues of \$3,149,162.

With its application, Laclede filed a tariff that would implement the surcharge effective August 25th. The Commission suspended that tariff until November 22th, to allow sufficient time to review Laclede’s ISRS application. The Commission directed notice of

¹ All referenced dates are in 2014 unless indicated otherwise.

² All statutory references are to the 2013 Cumulative Supplement of the Missouri Revised Statutes, unless indicated otherwise.

Laclede's filing be provided as required by section 393.1015.1(2) and set a deadline for the filing of applications to intervene. No requests to intervene were received.

On September 30th, Staff of the Missouri Public Service Commission filed an amended recommendation. Staff recommended the Commission reject Laclede's tariff and instead approve an ISRS surcharge revenue in annual pre-tax revenues of \$2,819,933. Staff recommended inclusion of work orders 60418 and 60419 in the ISRS revenue calculations. Work orders 60418 and 60419 involved replacement of certain telemetric equipment used to monitor system pressure and odorization.

On October 6th, Laclede, Staff, and the Office of the Public Counsel ("OPC") filed a *Unanimous Stipulation and Agreement*. Since the signing parties could not reach an agreement as to the ISRS eligibility of work orders 60418 and 60419, they agreed that Laclede would remove the replacement work orders from its ISRS filing, subject to Laclede's right to refile such replacements with its next ISRS filing. The parties agreed to the rates recommended by Staff in its September 30th filing, adjusted for removal of the two work orders.

Based on Laclede's application, Staff's report, and the unanimous agreement between the parties, the Commission concludes that Laclede should be permitted to adjust its ISRS rates and that the terms of the agreement should be approved.

Section 393.140(11) requires tariffs to have a 30-day effective date. On October 6th Laclede filed a motion for expedited treatment, requesting the Commission approve a tariff consistent with the terms of the agreement with an effective date of October 18th. Laclede indicates that neither Staff nor OPC oppose the request for expedited treatment. In

addition, the terms of the unanimous agreement acknowledges that Laclede would request expedited treatment seeking an October 18th effective date.

The Commission finds that good cause exists for Laclede to be excused from the 30-day tariff filing requirement. To constitute good cause, the reason or legal excuse given “must be real not imaginary, substantial not trifling, and reasonable not whimsical.”³ 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 October 18, 2014.

THE COMMISSION ORDERS THAT:

1. The *Unanimous Stipulation and Agreement* is approved. A copy of the agreement is attached as Attachment 1 and is incorporated as part of this order.
2. Laclede Gas Company, the Office of the Public Counsel, and the Staff of the Missouri Public Service Commission are ordered to comply with the terms of the agreement.
3. The tariff sheet filed by Laclede Gas Company on July 25, 2014, and assigned Tariff File No. YG-2015-0027 is rejected.
4. No later than October 16, 2014, Laclede Gas Company shall file with the Commission a new tariff sheet that reflects the tariff sheet attached to the *Unanimous Stipulation and Agreement*.
5. *Laclede Gas Company’s Motion for Expedited Treatment* is granted.

³ *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).

6. This order shall be effective when issued.

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

Work Order Authorization Information

Header Detail

<p>Work Order: 900262</p> <p>Work Order Title: Inst 7615F 12P Clifton Hill-Columbi</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 2</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 7,615 Ft. of 12PL IP header main on Clifton Hill Dr. and Columbia Ave. from I-44 to Brannon Ave. The installation of this header main is associated with the overall cast iron replacement</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Oct 01, 2013</p> <p>Notes:</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10628</p> <p>Department Description: Central - Construction (Retired)</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Mar 31, 2014</p> <p>Estimated In-Service Date: Mar 31, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	10/7/2013
Engineering Review-Dist	Hoeflerlin, Craig	\$0	10/9/2013
VP Field Operations	Reitz, Tom	\$75,000	10/9/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	10/9/2013
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	10/9/2013

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$1,288,335.94	\$0.00	\$1,288,335.94	\$0.00	\$0.00
Total Estimated Costs:	\$1,288,335.94	\$0.00	\$1,288,335.94	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900645</p> <p>Work Order Title: Inst 4690F 8P Vandeventer</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 4690 Ft of 8PL IP main on Vandeventer Ave between Lindell Blvd and Evans Ave. Main is being installed as part of the FY 2014 Strategic Cast Iron Main Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Jul 01, 2014</p> <p>Notes:</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Sep 30, 2014</p> <p>Estimated In-Service Date: Sep 30, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	5/28/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	5/29/2014
VP Field Operations	Reitz, Tom	\$75,000	5/29/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	5/30/2014
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	6/2/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$729,848.64	\$0.00	\$729,848.64	\$0.00	\$0.00
Total Estimated Costs:	\$729,848.64	\$0.00	\$729,848.64	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900484</p> <p>Work Order Title: Inst 5203F 12P Ivanhoe</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Asset Improvements</p> <p>WO Description: Install approx. 5203 Ft. of 12-inch PL IP Header Main on Ivanhoe Ave from Pernod Ave to Marmaduke Ave. These mains are being installed to support the FY14 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Jan 01, 2014</p> <p>Notes:</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Sep 30, 2014</p> <p>Estimated In-Service Date: Sep 30, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	12/4/2013
Engineering Review-Dist	Hoeflerlin, Craig	\$0	12/11/2013
VP Field Operations	Reitz, Tom	\$75,000	12/13/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	12/13/2013
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	12/13/2013

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$859,818.80	\$0.00	\$859,818.80	\$0.00	\$0.00
Total Estimated Costs:	\$859,818.80	\$0.00	\$859,818.80	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 001530</p> <p>Work Order Title: Inst 7215F 2P Ethel</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: System Integrity</p> <p>WO Description: Install 7215F 2P on Ethel Ave. Abandon 7229F 6C on Clayton Rd and 2123F 10C main on Bellevue Ave. (see attached F117 for add'l location info)</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis County</p> <p>Estimated Start Date: Apr 15, 2013</p> <p>Notes: Service Hub ID 26411 Complete 12-14 per Maximo AMM 2-9-15</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue: \$0</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p> <p>Estimated Completion Date: Dec 31, 2013</p> <p>Estimated In-Service Date: Dec 31, 2013</p>
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Reason for Work (Justification)

Existing main is being replaced as part of the Strategic Cast Iron Replacement Program.

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	3/20/2013
Engineering Review-Dist S	Hoferlin, Craig	\$0	3/20/2013
VP Field Operations	Reitz, Tom	\$75,000	3/20/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	3/20/2013
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	3/21/2013

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376200-Mains - Cast Iron	\$0.00	\$19,815.00	\$19,815.00	\$0.00	\$0.00
376300-Mains - Plastic	\$782,767.00	\$0.00	\$782,767.00	\$0.00	\$0.00
Total Estimated Costs:	\$782,767.00	\$19,815.00	\$802,582.00	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 002137</p> <p>Work Order Title: Inst 5955F 2P Boneta</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: System Integrity</p> <p>WO Description: Install 5955F 2P main on Bonetta at various locations. Abandon 3668F CI, ST & PL at the same location. Total Service Transfers - 220.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis County</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue: \$0</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p>
<p>Estimated Start Date: Jul 15, 2013 Estimated Completion Date: Aug 15, 2014 Estimated In-Service Date: Aug 15, 2014</p> <p>Notes: Existing main is being replaced as part of the Strategic Cast Iron Replacement Program. Service Hub ID 27549 Complete Feb 2015 per F604 report</p>	

Reason for Work (Justification)

No Reason Provided

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	7/5/2013
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	7/8/2013
VP Field Operations	Reitz, Tom	\$75,000	7/8/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	7/8/2013
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	7/8/2013

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376100-Mains - Steel	\$0.00	\$1,014.00	\$1,014.00	\$0.00	\$0.00
376200-Mains - Cast Iron	\$0.00	\$11,541.00	\$11,541.00	\$0.00	\$0.00
376300-Mains - Plastic	\$1,042,491.00	\$126.00	\$1,042,617.00	\$0.00	\$0.00
Total Estimated Costs:	\$1,042,491.00	\$12,681.00	\$1,055,172.00	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

Work Order: 900275		Company: Laclede Gas Company	
Work Order Title: Repl w/ 4989F 2P Wellington Ph4E		Business Segment: Distribution LDC 1	
Wo Type Description: WO-Replacement Mains & Services		Functional Class: Distribution Plant	
Work Order Group:		Department Code: 10638	
Current Revision: 1		Department Description: Construction - Region 1B - Union	
Funding Project: 3303L		Budget Description: Replacement of Dist Sys - Laclede	
Funding Project Desc: Replacement of Dist Sys - Laclede		Est. Annual Revenue:	
Eligible for AFUDC: yes		Reimbursement Type: None	
Eligible for CPI: yes		Retirement Type:	
Reason Code: Strategic			
WO Description: Install 4989 Ft. of 2PL IP main and uprate 212 Ft. of 2PL LP to IP on Sutton, Cherry, Edgar, Walter, Elm, and James. This main is being installed as part of the FY14 Cast Iron Replacement Program.			
Major Location: Mass Property-Laclede		Status: in service	
Asset Location: Laclede-St. Louis City			
Estimated Start Date: Dec 23, 2013		Estimated Completion Date: Mar 17, 2014	
		Estimated In-Service Date: Mar 17, 2014	
Notes: Related abandonment project is 900544 - Maximo - 12752590			

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	11/5/2013
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	11/14/2013
VP Field Operations	Reitz, Tom	\$75,000	11/14/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	11/14/2013

***** Unit Estimate *****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$484,192.85	\$0.00	\$484,192.85	\$0.00	\$0.00
Total Estimated Costs:	\$484,192.85	\$0.00	\$484,192.85	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900713</p> <p>Work Order Title: Inst 4816F 8P Pernod & Sulphur</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 3622 Ft of 8-inch PL IP main on Pernod Ave b/w Ivanhoe & Sulphur. Install 1194 Ft of 8-inch PL IP main on Sulphur b/w Pernod & Chippewa. Main is being installed as part of the FY 2014 Cast Iron Main Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10638</p> <p>Department Description: Construction - Region 1B - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p>
<p>Status: posted to CPR</p>	
<p>Estimated Start Date: Apr 01, 2014 Estimated Completion Date: Sep 30, 2014 Estimated In-Service Date: Sep 30, 2014</p> <p>Notes:</p>	

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	4/7/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	4/7/2014
VP Field Operations	Reitz, Tom	\$75,000	4/7/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	4/7/2014
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	4/8/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$577,688.89	\$0.00	\$577,688.89	\$0.00	\$0.00
Total Estimated Costs:	\$577,688.89	\$0.00	\$577,688.89	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900282</p> <p>Work Order Title: Inst 4400F 2P Wellston 2C</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 4400 Ft of 2PL IP and Uprate 575 Ft. of 4PL LP to IP on Greer, Labadie, St. Louis, and Roosevelt between Clara and Goodfellow. Main to be installed as part of FY14 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Feb 24, 2014</p> <p>Notes: Related Abandonment - WO 900549, Task 12752816 Main to be installed as part of FY14 Cast Iron Replacement Program.</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: in service</p> <p>Estimated Completion Date: Jun 23, 2014</p> <p>Estimated In-Service Date: Jun 23, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	1/22/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	1/23/2014
VP Field Operations	Reitz, Tom	\$75,000	1/23/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	2/5/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$151,018.14	\$0.00	\$151,018.14	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$198,900.82	\$0.00	\$198,900.82	\$0.00	\$0.00
Total Estimated Costs:	\$349,918.96	\$0.00	\$349,918.96	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 003305</p> <p>Work Order Title: Repl Euclid & Hooke Reg Station</p> <p>Wo Type Description: WO-Regulator Station Upgrade LGC</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3602L</p> <p>Funding Project Desc: Replacement Regulator Station</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install an above grade SF to IP & SIP telemetric regulator station near Euclid & Hooke. The station is needed to support the new City IP distribution system and will replace an existing SIP regulator station that is currently not telemetric.</p> <p>Major Location: Reg. Stations - St. Louis City</p> <p>Asset Location: Euclid & Hooke</p> <p>Estimated Start Date: Oct 01, 2013 Estimated Completion Date: Sep 30, 2014 Estimated In-Service Date: Sep 30, 2014</p> <p>Notes: See attachment for list of retirements. 50% complete as of 9-17-14 per Kurt Biever</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10525</p> <p>Department Description: Instrumentation & Control</p> <p>Budget Description: Replacement Regulator Station</p> <p>Est. Annual Revenue: \$0</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: in service</p>
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Reason for Work (Justification)

The above grade SF to IP & SIP is necessary to support the new distribution system. It is part of the new City IP distribution system being installed

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	1/26/2014
Manager, I&C	Noelker, Bob	\$10,000	1/27/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	2/5/2014
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	2/5/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
375100-Struct & Impv - Meas & Reg S	\$0.00	\$0.00	\$0.00	\$1,518.24	\$0.00
378000-Meas & Reg Station Equipment	\$571,857.00	\$24,704.00	\$596,561.00	\$12,714.71	\$4,982.00
Total Estimated Costs:	\$571,857.00	\$24,704.00	\$596,561.00	\$14,232.95	\$4,982.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900557</p> <p>Work Order Title: Inst 2123F 2P Walnut Park Ph6A</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 2123 Ft of 2PL IP main and 50 Ft of 4PL IP main on Windham, Amelia, Hanner and Stratford between north of Goodfellow. Uprate 1236 Ft of 2PL MP to IP and 314 Ft of 4PL MP main to IP on Goodfellow.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: in service</p>
<p>Estimated Start Date: May 26, 2014 Estimated Completion Date: Jul 31, 2014 Estimated In-Service Date: Jul 31, 2014</p> <p>Notes: Main being installed as part of the FY14 Cast Iron Replacement Program. Related Retirement WO 900567. WO 900567 COR estimate moved to install WO.</p>	

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	5/27/2014
Engineering Review-Dist	Hoeflerlin, Craig	\$0	5/29/2014
VP Field Operations	Reitz, Tom	\$75,000	5/29/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	5/30/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376100-Mains - Steel	\$0.00	\$15,752.64	\$15,752.64	\$0.00	\$0.00
376300-Mains - Plastic	\$116,485.38	\$887.11	\$117,372.49	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$152,365.47	\$0.00	\$152,365.47	\$0.00	\$0.00
Total Estimated Costs:	\$268,850.85	\$16,639.75	\$285,490.60	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

Work Order: 900279		Company: Laclede Gas Company	
Work Order Title: Inst 3345F 2P Walnut Park Ph4D		Business Segment: Distribution LDC 1	
Wo Type Description: WO-Replacement Mains & Services		Functional Class: Distribution Plant	
Work Order Group:		Department Code: 10638	
Current Revision: 1		Department Description: Construction - Region 1B - Union	
Funding Project: 3303L		Budget Description: Replacement of Dist Sys - Laclede	
Funding Project Desc: Replacement of Dist Sys - Laclede		Est. Annual Revenue:	
Eligible for AFUDC: yes		Reimbursement Type: None	
Eligible for CPI: yes		Retirement Type:	
Reason Code: Asset Improvements			
WO Description: Install 3345 Ft. of 2PL IP and Uprate 445 Ft. of 4PL LP to IP on Wren, Saloma, on Woodland, and Riverview. Main is being installed as part of the FY14 Strategic Cast Iron Replacement Program.			
Major Location: Mass Property-Laclede		Status: posted to CPR	
Asset Location: Laclede-St. Louis City			
Estimated Start Date: Jan 06, 2014		Estimated Completion Date: Apr 28, 2014	
		Estimated In-Service Date: Apr 28, 2014	
Notes: Related abandonment - 900538, Task - 12752583 Main is being installed as part of the FY14 Strategic Cast Iron Replacement Program.			

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	1/12/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	1/13/2014
VP Field Operations	Reitz, Tom	\$75,000	1/14/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	1/14/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$256,272.91	\$0.00	\$256,272.91	\$0.00	\$0.00
Total Estimated Costs:	\$256,272.91	\$0.00	\$256,272.91	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900595 Work Order Title: Inst 4616F 8P Alaska Wo Type Description: WO-Replacement Mains & Services Work Order Group: Current Revision: 1 Funding Project: 3304L Funding Project Desc: Replacement Header Main - Laclede Eligible for AFUDC: yes Eligible for CPI: yes Reason Code: Strategic</p>	<p>Company: Laclede Gas Company Business Segment: Distribution LDC 1 Functional Class: Distribution Plant Department Code: 10638 Department Description: Construction - Region 1B - Union Budget Description: Replacement Header Main - Laclede Est. Annual Revenue: Reimbursement Type: None Retirement Type:</p>	
<p>WO Description: Install 4,616 Ft. of 8-inch PL IP header main on Alaska Ave., Colorado Ave, and Holly Hills Ave. from Eiler St. to S. Grand Blvd. The installation of this header main is associated with the overall cast iron replacement program.</p>		
<p>Major Location: Mass Property-Laclede Asset Location: Laclede-St. Louis City</p>	<p>Status: completed</p>	
<p>Estimated Start Date: Jan 01, 2014</p>	<p>Estimated Completion Date: Mar 31, 2014</p>	<p>Estimated In-Service Date: Mar 31, 2014</p>
<p>Notes:</p>		

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	1/21/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	1/21/2014
VP Field Operations	Reitz, Tom	\$75,000	1/22/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	1/22/2014
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	1/28/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$589,696.72	\$0.00	\$589,696.72	\$0.00	\$0.00
Total Estimated Costs:	\$589,696.72	\$0.00	\$589,696.72	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900278</p> <p>Work Order Title: Repl w/ 3977F 2P Walnut Park Ph4C</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 3,977 Ft. of 2PL IP on Plover, Prange, Hanner, Amelia and Wren. Main to be installed as part of the FY14 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Nov 18, 2013 Estimated Completion Date: Feb 24, 2014 Estimated In-Service Date: Feb 24, 2014</p> <p>Notes: Related Abandonment WO - 900537, Task - 12752581</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10640</p> <p>Department Description: Field Operations Supv - Region 1A</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: completed</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	12/10/2013
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	12/11/2013
VP Field Operations	Reitz, Tom	\$75,000	12/13/2013
Chief Operating Officer	Lindsey, Steve	\$500,000	12/13/2013

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$107,162.12	\$0.00	\$107,162.12	\$0.00	\$0.00
380200-Services - Plastic & Copper	\$164,309.39	\$0.00	\$164,309.39	\$0.00	\$0.00
Total Estimated Costs:	\$271,471.51	\$0.00	\$271,471.51	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900644</p> <p>Work Order Title: Inst 4190F 8P Evans</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3304L</p> <p>Funding Project Desc: Replacement Header Main - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Strategic</p> <p>WO Description: Install 4190 Ft of 8PL IP main on Evans from Newstead to Vandeventer. Main to be installed as part of the FY14 Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p> <p>Estimated Start Date: Jul 01, 2014</p> <p>Notes:</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement Header Main - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: posted to CPR</p> <p>Estimated Completion Date: Sep 30, 2014</p> <p>Estimated In-Service Date: Sep 30, 2014</p>
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Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	5/18/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	5/28/2014
VP Field Operations	Reitz, Tom	\$75,000	5/28/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	5/30/2014
President & CEO	Sitherwood, Suzanne	\$999,999,999,999	6/2/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376300-Mains - Plastic	\$568,518.33	\$0.00	\$568,518.33	\$0.00	\$0.00
Total Estimated Costs:	\$568,518.33	\$0.00	\$568,518.33	\$0.00	\$0.00

Work Order Authorization Information

Header Detail

<p>Work Order: 900464</p> <p>Work Order Title: Inst 4741F 2PWalnut Park Ph 4I</p> <p>Wo Type Description: WO-Replacement Mains & Services</p> <p>Work Order Group:</p> <p>Current Revision: 1</p> <p>Funding Project: 3303L</p> <p>Funding Project Desc: Replacement of Dist Sys - Laclede</p> <p>Eligible for AFUDC: yes Eligible for CPI: yes</p> <p>Reason Code: Asset Improvements</p> <p>WO Description: Install 4741 Ft. of 2PL IP main and Uprate 225 Ft. of 2PL MP main to IP on Partridge, Oriole, Harney, Gilmore, and Thekla. Mains are being replaced as part of the FY2014 Strategic Cast Iron Replacement Program.</p> <p>Major Location: Mass Property-Laclede</p> <p>Asset Location: Laclede-St. Louis City</p>	<p>Company: Laclede Gas Company</p> <p>Business Segment: Distribution LDC 1</p> <p>Functional Class: Distribution Plant</p> <p>Department Code: 10648</p> <p>Department Description: Construction - Region 1A - Union</p> <p>Budget Description: Replacement of Dist Sys - Laclede</p> <p>Est. Annual Revenue:</p> <p>Reimbursement Type: None</p> <p>Retirement Type:</p> <p>Status: posted to CPR</p>
<p>Estimated Start Date: Jul 21, 2014 Estimated Completion Date: Oct 17, 2014 Estimated In-Service Date: Oct 17, 2014</p>	
<p>Notes: Related Retirement WO - 900543, Task - 12752588 abandonment estimate added to install estimate. Mains are being replaced as part of the FY2014 Strategic Cast Iron Replacement Program.</p>	

Reason for Work (Justification)

Approvals

Level	Approver	Approval Limit	Date Approved
Operational Accounting	Muehlenkamp, Anne	\$0	4/22/2014
Engineering Review-Dist S	Hoeflerlin, Craig	\$0	4/23/2014
VP Field Operations	Reitz, Tom	\$75,000	4/23/2014
Chief Operating Officer	Lindsey, Steve	\$500,000	4/23/2014

**** Unit Estimate ****

Utility Account	Additions	Removal Cost	Total Expenditures	Retirement Value	Salvage
376200-Mains - Cast Iron	\$0.00	\$46,799.66	\$46,799.66	\$0.00	\$0.00
376300-Mains - Plastic	\$374,696.33	\$0.00	\$374,696.33	\$0.00	\$0.00
Total Estimated Costs:	\$374,696.33	\$46,799.66	\$421,495.99	\$0.00	\$0.00

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**


In the Matter of the Verified Application and)
Petition of Laclede Gas Company to Change) File No. G0-2015-0178
its Infrastructure System Replacement Surcharge)
In its Laclede Gas Service Territory)

A F F I D A V I T

STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)


Glenn W. Buck, of lawful age, being first duly sworn, deposes and states:

1. My name is Glenn W. Buck. My business address is 700 Market Street, St. Louis, MO 63101 and I am the Director, Regulatory and Finance for Laclede Gas Company.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Laclede Gas Company.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.



Glenn W. Buck

Subscribed and sworn to before me this 9th day of April, 2015.



Notary Public

