

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

In the Matter of Laclede Gas Company's)	
Tariff to Increase its Annual Revenues)	<u>File No. GR-2010-0171</u>
for Natural Gas Service)	Tariff No. YG-2010-0376

**MOTION TO CONFIRM CONTINUATION OF CONSERVATION AND
ENERGY EFFICIENCY PROGRAMS**

COMES NOW Laclede Gas Company ("Laclede" or "Company"), on behalf of the charter members of Laclede's Energy Efficiency Collaborative (EEC) and files this motion seeking confirmation from the Commission that Laclede may continue its conservation and energy efficiency programs under the current funding structure until the effective date of an applicable order in this case. In support of this motion, Laclede states as follows:

1. Effective July 29, 2007, the Commission approved the Unanimous Stipulation and Agreement (the "Agreement") which resolved Laclede's 2006-07 rate case, Case No. GR-2007-0208. The Agreement provided for the formation of the EEC, which was tasked with developing energy efficiency programs. Paragraphs 20(f) and (g) of the Agreement further provided as follows:

- 20. The Parties agree that the following terms should be approved in connection with Laclede's conservation and energy efficiency programs:
 - ...(f) The rates recommended herein include an allowance of One Hundred and Fifty Thousand Dollars (\$150,000) annually which may be used to pay for program development and implementation, including consulting services that will be employed in the process. In addition to these funds, Laclede further agrees to invest up to Three Million Five Hundred Thousand Dollars (\$3,500,000) to fund conservation and energy efficiency programs that are developed as a result of the EEC process over the next three years, unless the parties unanimously agree to request that the Commission approve a greater expenditure during that time period. Any annual funding amounts included in rates that are not

expended in a given year will be transferred to the regulatory asset account for energy efficiency costs.

- (g) Subject to a review by any party, including charter members of the EEC, for program implementation and evaluation implementation prudence in future rate cases, such investments for the development, implementation and evaluation of energy efficiency programs that are not funded through the \$150,000 annual funding amount shall be accumulated in a regulatory asset account at the time such investments are made. Such investments will then be reflected in Laclede's rate base in its next general rate case in the same manner as other rate base items, provided that a ten year service life shall be presumed for such investments. Any monies advanced in rates or by Laclede in connection with these programs shall accumulate interest at an annual rate equal to Laclede's average short-term debt cost as of March 31, 2007.

2. The charter members of the EEC are Laclede, DNR, Staff and Public Counsel. The EEC is concerned by the reference to the phrase "over the next three years" in paragraph 20(f). The EEC's concern is that Laclede may not be authorized to fund investments in its programs, or to recover that funding after the expiration of the three year period on July 29, 2010.

3. To date, the EEC has developed three main programs (the "Programs"). There are two rebate programs, one for high efficiency residential equipment and one for commercial equipment, and a certification program to promote education for operators of commercial and industrial buildings. Over time, spending on these programs has increased, but such spending will not exceed \$3.5 Million by July 29, 2010, nor by the effective date of an order in this case.¹

4. All of the EEC charter members wish to continue the current programs, including the funding of those programs and the method for recovery of that funding under the current structure, until the effective date of an applicable order in the above captioned rate case.

¹ The operation of law date for this case is November 4, 2010.

5. While paragraphs 20(f) and (g), read together, indicate that the programs may continue in the manner sought by the EEC charter members, the parties nevertheless believe it is prudent to seek confirmation by the Commission that Laclede can continue to operate the programs and, for all rebates and awards applied for prior to the effective date of an applicable order in this case, Laclede can assure program applicants that program rebates and awards will be paid, and can recover such investments as provided in paragraph 20(g) of the Agreement.

WHEREFORE, for the foregoing reasons, Laclede Gas Company, on behalf of all of the EEC charter members respectfully requests that the Commission confirm by order that Laclede may continue to operate the Programs, and fund and recover funding in accordance with the terms set forth herein.

Respectfully Submitted,

/s/ Rick Zucker

Michael C. Pendergast, #31763
Vice President & Associate General Counsel
Rick Zucker, #49211
Assistant General Counsel-Regulatory
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101
Telephone: (314) 342-0532
Facsimile: (314) 421-1979
E-mail: mpendergast@lacledegas.com
rzucker@lacledegas.com

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing pleading was served on the parties to Case No. GR-2010-0171 on this 7th day of July, 2010, by hand-delivery, facsimile, email or United States mail, postage prepaid.

/s/ Gerry Lynch

Gerry Lynch