

## APPENDIX C

Fall 2009

TO: All Customer Relations Employees

RE: Infrastructure System Replacement Surcharge

Effective July 16, 2009, the monthly Infrastructure System Replacement Surcharge (ISRS) was changed from \$.68 to \$.99 per month on Laclede's residential customer monthly bills. Commercial and Industrial customers ISRS charges now range from \$1.29 to \$108.28. These costs for natural gas customers' pipeline replacements and/or relocations are not currently included in Laclede's rates.

The ISRS covers a portion of the expenses that the Company must incur to maintain and upgrade its system and to relocated facilities in connection with local, state, and federal public improvement projects and safety requirements.

The ISRS covers the costs for:

- Moving or upgrading facilities in connection with mandated safety projects.
- Certain public improvement projects such as street or highway widening.
  - An example would be the Page Avenue extension in West St. Louis that connected I-270 with Highway 94 in St. Charles.

The ISRS does NOT apply to:

- Costs for privately funded projects like the new Busch Stadium, where Laclede was reimbursed by the Cardinals for work done. None of these costs are included in the ISRS or are being recovered from Laclede's customers.
- Costs incurred to build infrastructure that directly connects to new customers who will be billed for service.

The initial ISRS charge and the new charge were prorated upon implementation. The exact amount of the ISRS charge can be found under the "DETAIL BILL CALCULATION" screen under NBIL.

When a new ISRS is established, the first ISRS bill for each customer will contain a bill message on the front of the bill known as the initial notice. Such a bill message does not appear when the ISRS amount merely changes. However, please note that an abbreviated version of this message is also permanently on the back of the bill under Definitions. Once each year, bills will also

contain a different ISRS notice, referred to as the annual ISRS notice. (Please see Attachment 1 for initial bill message and annual ISRS Notice).

Attachment 2 is a sample residential bill showing our new ISRS charge. As you can see, the monthly ISRS charge on that bill is \$.99. Attachment 3 is the tariff sheet showing all of the monthly ISRS rates for the various customer classes.

Customers who call with ISRS questions during the first month that ISRS bills are rendered may be directed to the bill message on the front of the bill. After the first month, the ISRS is still defined on the back of the bill. If customers seek to discuss the ISRS charge in greater detail, please emphasize the following:

- The ISRS covers a portion of the expenses that the Company must incur to maintain and upgrade its system and to relocated facilities in connection with local, state, and federal public improvement projects and safety requirements.
- ISRS is authorized by Missouri law, which allows gas utilities like Laclede to adjust their rates twice per year to recover these mandated costs.
- None of the mandated costs and projects covered by ISRS produce any new revenue for the Company. Any projects for which Laclede is separately reimbursed are not included in the ISRS.
- The financial impact of the ISRS is very modest. It is less for residential customers than for larger commercial and industrial customers. Since Laclede first established an ISRS in 2004, the residential ISRS has always been less than \$2 per month.

M. Shillato

## ATTACHMENT I

### INITIAL NOTICE

#### ISRS

Each year, Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge may be adjusted periodically, and is being implemented in accordance with Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.

### ANNUAL NOTICE

#### ISRS

Each year, Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge, which is reflected on the front of your bill, may be adjusted periodically, and has been implemented in accordance with Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.

# IMPORTANT CONTACT INFORMATION

- All your billing and customer service needs: 314-621-6960 or toll-free 1-800-887-4173
- IN AN EMERGENCY OR TO REPORT A GAS ODOR: 314-342-0800
- Send correspondence to Drawer 9, St. Louis, MO 63166
- www.lacledegas.com

Statement Date: 09/18/2009

Account Number: [REDACTED]

Service Address: [REDACTED]

Bill at a Glance	Amount
Previous Bill	41.20
Payment/Adjustment	(41.20)
Balance	.00
Total Current Charges	43.40
<b>Amount Due</b>	<b>\$43.40</b>
<b>Due By</b>	<b>10/01/09</b>
<b>Delinquent After</b>	<b>10/12/09</b>



\*\*\*\*\*AUTO\*\*SCH 5-DIGIT 63006

>05715 0018987 002 092049 LECSTME

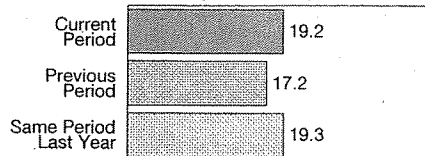
Present Reading	Previous Reading	Usage (CCF) X	BTU Factor	= Thermos
2263	2244	19	1.008	19.2
<b>Actual Reading</b>			<b>Rate: Res. General</b>	

Detail - Current Charges	Amount
Charge For Gas Svc 08-18-09 To 09-17-09	36.48
(Includes A Monthly Customer Charge Of \$15.50, A Monthly ISRS Charge Of \$.99, And Usage Charges**)	
Chesterfield Tax	1.92
Subtotal - Current Utility Charges	38.40
Dollar Help	5.00
Subtotal - Other Charges	5.00
Total Current Charges	\$43.40

Detail - Account Balance	Amount
Prior Gas Balance	36.20
Dollar Help - <b>Thank you</b>	(5.00)
Payment - <b>Thank you</b>	(36.20)
Current Charges	43.40
Account Balance	\$43.40

\*\*Gas usage charge per therm is \$1.04089 for the first 30 thermos and \$0.99063 for each additional therm.

## Gas Consumption Comparison



	Use In Thermos	Degree Days	Supplier Cost of Gas/Therm	Days In Billing Period
Current Period	19.2	5	.83177	30
Previous Period	17.2	0	.83140	28
Same Period Last Year	19.3	10	1.06995	30

## Important Message

Check connections on all natural gas appliances regularly (gas stoves, dryers and water heaters). Flexible pipe connectors are prone to cracking over time and should be inspected regularly. Pipe connectors should be replaced every 10 years regardless of condition and should never be reused with new appliances.

Please retain this portion for your records.

Please detach and return this portion to Laclede Gas Company, Drawer 2, St. Louis, MO 63171 with your payment. Please do not fold, staple or paper clip payment to your bill.

See back of bill for other convenient ways to pay your bill.

**DOLLAR HELP** ☒  
CHECK A RED BOX!

Account Number: [REDACTED]

Service Address: [REDACTED]

Amount Due	\$43.40
Due By	10/01/09
Delinquent After	10/12/09



Make check payable to:

Laclede Gas Company  
Drawer 2  
St. Louis, MO 63171

Amount \$  
Enclosed:

Please do not write below.

37781000590000043409

05715 0018987 011432 011432 00001/00001

**P.S.C. MO. No. 5 Consolidated, Thirteenth Revised Sheet No. 12  
CANCELLING P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No. 12**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

**SCHEDULE OF RATES**

**INFRASTRUCTURE SYSTEM REPLACEMENT SURCHARGE ("ISRS")**

**Description:** The ISRS is designed to recover the costs associated with the Company's eligible infrastructure replacements in accordance with the provisions of Sections 393.1009 to 393.1015, RSMo.

**Applicability:** In addition to the other charges provided for in the Company's tariff, a monthly ISRS shall be added to each customer's bill for service rendered on and after the effective date of the ISRS.

**Schedule of Surcharges:** The amount of the ISRS by rate schedule is as follows:

	<u>Per Bill Per Month</u>
Residential General Service (RG) .....	\$ .99
Residential Seasonal Air Conditioning Service (RA) .....	\$ .99
Commercial & Industrial General Service-Class I (C1) .....	\$ 1.29
Commercial & Industrial General Service-Class II (C2) .....	\$ 2.05
Commercial & Industrial General Service-Class III (C3) .....	\$ 4.10
Commercial & Industrial Seasonal Service-Class I .....	\$ 1.29
Commercial & Industrial Seasonal Service-Class II .....	\$ 2.05
Commercial & Industrial Seasonal Service-Class III .....	\$ 4.10
Large Volume Service (LV) .....	\$45.78
Interruptible Service (IN) .....	\$40.69
General L.P. Gas Service (LP) .....	\$ .86
Unmetered Gas Light Service (SL) .....	\$ .30
Vehicular Fuel Rate (VF) .....	\$ 1.16
Large Volume Transportation and Sales Service (LVTSS) .....	\$108.28

DATE OF ISSUE

April 28, 2009

Month Day Year

DATE EFFECTIVE

July 16, 2009

~~August 2, 2009~~

Month Day Year

ISSUED BY

K.J. Neises

Executive Vice President,

720 Olive St., St. Louis, MO 63101

Name of Officer

Title

Address



- 
- [Home /](#)
- [Rates & Regulations /](#)

## ISRS

Each year Laclede spends tens of millions of dollars on its more than 16,000 miles of pipeline facilities used to deliver gas to its customers. The infrastructure system replacement surcharge (ISRS) covers only a part of the expenses that the Company must incur to maintain and upgrade its system and to relocate facilities in connection with local, state and federal public improvement projects and safety requirements. In general, the ISRS charge to cover these costs is smaller for residential customers, while larger users in other customer classes are charged a greater amount. The amount of the charge may be adjusted periodically, and is being implemented in accordance with a new law contained in Sections 393.1009, 393.1012 and 393.1015 of the Revised Statutes of Missouri.