

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

In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Missouri Gas Energy Service Territory.	) ) ) )	<b><u>Case No. GO-2016-0332</u></b> Tariff No. YG-2017-0048
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In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory.	) ) ) )	<b><u>Case No. GO-2016-0333</u></b> Tariff No. YG-2017-0047
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**Staff’s Response to Order Directing Filing of Reconciliation  
And Responses**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Response to Order Directing Filing of Reconciliation and Responses*, states as follows:

1. On January 18, 2017, the Commission issued its *Report and Order* resolving certain disputes concerning the *Applications* filed by Laclede Gas Company (“LGC”) and Missouri Gas Energy (“MGE”) to change their Infrastructure System Replacement Surcharges (“ISRS”), docketed as Cases GO-2016-0333 and GO-2016-0332, respectively.

2. Thereafter, on January 27, the Office of the Public Counsel (“OPC”) filed its *Application for Rehearing*, which the Commission denied on February 1, 2017.

3. On February 22, the Commission notified the parties that it required their “assistance and input” in preparing a reconciliation as required by § 386.420, RSMo., and also setting a deadline for requesting such a reconciliation. Staff notes that a

reconciliation is a necessary component of any notice of appeal filed by a party to this case.<sup>1</sup>

4. Also on February 22, 2017, OPC filed its *Request for Reconciliation*.

5. Following OPC's filing referred to above, the Commission on February 22, 2017, issued its *Order Directing Filing of Reconciliation and Responses*, in which it ordered Staff to "file a reconciliation that complies with Subsection 386.420.4, RSMo." The Commission further directed that "[t]he reconciliation shall be detailed and contain the dollar value and rate impact of each contested issue decided by the Commission." The Commission directed Staff to file the required reconciliation no later than Friday, February 24, 2017.

6. Staff respectfully states that it is unable to comply with the above-described order because the detailed information necessary to do so is not contained in the record of this case. OPC proposed an adjustment to the ISRS changes sought by LGC and MGE based on the inclusion of an unknown quantity of undegraded plastic pipe in the gas mains the cost of whose replacement the companies sought to recover. OPC never quantified the adjustment it sought and, in a DR response, admitted that it was unable to do so.<sup>2</sup>

7. Staff believes that the adjustment could be calculated with sufficient time and manpower. An examination of the voluminous work order information implicated in

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<sup>1</sup> Section 386.510, RSMo.; "The notice of appeal shall include the appellant's application for rehearing, a copy of the reconciliation required by subsection 4 of section 386.420, a concise statement of the issues being appealed, a full and complete list of the parties to the commission proceeding, and any other information specified by the rules of the court."

<sup>2</sup> Response to Staff DR 0021 (GO-2016-0332) and DR 0012 (GO-2016-0333): "OPC does not have sufficient information to calculate the total adjustments that will be necessary should OPC prevail on the issues. Those values will need to be calculated with Laclede's assistance to identify the total costs included on each issue should OPC prevail on the issues."

the proposed ISRS changes, which is not currently part of the record evidence in these cases, as well as the adoption of assumptions which may involve disputed methodology, would be necessary. This work could not possibly be completed by Friday, February 24, 2017.

8. Staff suggests that a reconciliation could be prepared by the ordered deadline if – and only if -- the parties will stipulate to an adjustment.

9. Staff further suggests that OPC be required to quantify its proposed adjustments in future cases.

**WHEREFORE**, Staff prays that the Commission will accept its *Response to Order Directing Filing of Reconciliation and Responses*; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

**/s/ Kevin A. Thompson**

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail on each of the parties listed in the Service List for this case maintained by the Commission's Data Center on this 23<sup>rd</sup> day of February, 2017.

**/s/ Kevin A. Thompson**