

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

In the Matter of the Application of	)	
Laclede Gas Company to Change its	)	
Infrastructure System Replacement	)	Case No. GO-2016-0332
Surcharge in its Missouri Gas Energy	)	
Service Territory	)	

In the Matter of the Application of	)	
Laclede Gas Company to Change its	)	
Infrastructure System Replacement	)	Case No. GO-2016-0333
Surcharge in its Laclede Gas Service	)	
Territory	)	

**OPC’S REPLY TO LACLEDE AND  
STAFF RECONCILIATION SUGGESTIONS**

**COMES NOW** the Office of the Public Counsel (“OPC”) and for its Reply to Laclede and Staff Reconciliation Suggestions, states as follows:

1. Laclede Gas Company’s (“Laclede”) filing regarding the Commission’s obligation to approve the reconciliation did not assist the Commission in quantifying the costs Laclede incurred replacing plastic pipe. The Staff proposes to value the issue at twenty-five percent (25%) of the Infrastructure System Replacement Surcharge (“ISRS”) revenue requirement.

2. OPC continues to believe its two proposed approaches are the most appropriate. However, OPC also concurs the Staff’s proposal to value the plastic issue at 25% of the overall revenue requirement is also reasonable. The Direct Testimony of OPC witness Mr. Charles Hyneman includes a table of work orders with a high percentage of plastic replacements, and the average of those work orders is thirty-four percent (34%) plastic replacements. Recognizing the average would be reduced by other

work orders with lower percentages of plastic replacements, OPC agrees for purposes of the reconciliation in this case that 25% of the revenue requirement would be a reasonable estimation of the costs Laclede incurred replacing plastic pipe that is not worn out or in deteriorated condition.

WHEREFORE, the Office of the Public Counsel respectfully offers this reply to the Laclede and Staff suggestions on the reconciliation.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 28<sup>th</sup> day of February 2017.

**/s/ Marc Poston**

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