

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 1st day of August, 2012.

In the Matter of Laclede Gas Company's)	
Application to Establish Depreciation Rates for)	File No. GO-2012-0363
Enterprise Computer Software Systems)	

**ORDER DENYING PUBLIC COUNSEL'S MOTION FOR SUMMARY
DETERMINATION**

Issue Date: August 1, 2012

Effective Date: August 1, 2012

On May 18, 2012, Laclede Gas Company filed a pleading entitled Verified Application for an Order Establishing a Depreciation Rate for the Company's New Enterprise Information Management System. Laclede's application represents that it will be installing a new computerized information management system for which it claims there is no appropriate existing depreciation rate. Laclede asks the Commission to establish a five percent annual depreciation rate for the new information management system.

In response to Laclede's application, the Office of the Public Counsel filed a motion for summary determination on June 13. Public Counsel contends that rather than seeking a depreciation rate for a new account, Laclede is seeking to change the current twenty percent depreciation rate for computer software just before making a large investment in new computer software. By doing so, Laclede would be able to defer incurring a large portion of the depreciation expense associated with the new software until after those expenses are recognized in a future rate case. Public Counsel contends that allowing Laclede to change its depreciation rate for a single category without conducting a full

depreciation study would be analogous to improper single-issue ratemaking and should not be permitted by the Commission.

Laclede responded to Public Counsel's motion for summary determination on July 13, and Public Counsel replied to that response on July 23. Meanwhile, the Commission has established a procedural schedule to take evidence regarding Laclede's application. An evidentiary hearing on that application is scheduled for August 16.

Summary determination before the Commission is governed by Commission Rule 4 CSR 240-2.117. Subsection (E) of that rule states the Commission may grant a motion for summary determination if there is no genuine issue of material fact, if any party is entitled to relief as a matter of law, and if granting summary determination is in the public interest.

There is a genuine issue of material fact that must be resolved by the Commission after hearing the evidence of the parties. That factual issue is whether the new information management system that Laclede plans to purchase and install is a new class of plant for which a new depreciation rate should be established, or whether, as Public Counsel contends, it is simply new software to replace existing software, subject to depreciation under the existing depreciation rate. That issue is the subject of the expert testimony that has already been filed in this case and it is an issue that can only be determined by the Commission after hearing and considering all the evidence. For that reason, the Commission will deny Public Counsel's motion for summary determination.

THE COMMISSION ORDERS THAT:

1. Public Counsel's Motion for Summary Determination is denied.

2. This order shall become effective immediately upon issuance.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Woodruff, Chief Regulatory Law Judge