

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 26th day of
September, 2012.

In the Matter of the Application of)	
Southern Union Company d/b/a)	<u>File No. GO-2013-0015</u>
Missouri Gas Energy, for)	
Approval to Change its)	Tracking No. JG-2013-0028
Infrastructure System Replacement Surcharge)	

**ORDER SETTING ISRS AMOUNTS,
REJECTING TARIFF, AND DIRECTING THE FILING OF NEW TARIFF**

Issue Date: September 26, 2012

Effective Date: September 28, 2012

The Missouri Public Service Commission is granting the petition of Southern Union Company d/b/a Missouri Gas Energy (“the Company”) to change the Company’s infrastructure system replacement surcharge (“ISRS”). The Commission is also setting the Company’ ISRS rates, rejecting the pending tariff sheet (“tariff”), and requiring the Company to file a new tariff in compliance with this order. The petition seeks an ISRS increase to recover costs related to eligible plant placed in service from October 1, 2011 through May 30, 2012.

On July 11, 2012, the Company filed the petition with supporting documents including an affidavit and the tariff. The Commission suspended the tariff until November 7, 2012.¹ In the same order, the Commission gave notice of such filing as the law requires.² The Commission also set the time to file an application for intervention. The Commission received no application for intervention.

¹ Order dated July 13, 2011.

² Section 393.1015.1(2), RSMo Supp. 2011.

The suspension of the tariff initiated a contested case.³ A contested case decision need not include separately stated findings of fact if a stipulation, consent order, or agreed settlement disposes of the action.⁴ Such is the case here for the following reasons.

The Commission's staff ("Staff") filed a *Staff Recommendation* ("recommendation")⁵ with a memorandum and supporting affidavit. Staff also filed a *Corrected Appendix B* ("amended recommendation").⁶ In the amended recommendation, Staff adjusts the Company's incremental revenue requirement. Staff filed the amended recommendation on September 14, 2012. On September 17, 2012, the Company filed a *Notice of Agreement*. In that notice, the Company asks the Commission to decide the petition in accordance with the amended recommendation. The Commission received no other response to the amended recommendation within the time set by regulation.⁷

Therefore, the Commission finds and concludes that the parties⁸ consent to an order in accordance with Staff's amended recommendation.⁹ The Commission also independently finds and concludes that:

- The petition complies with the requirements of sections 393.1009 to 393.1015, RSMo;¹⁰

³ Section 393.150.1, RSMo 2000.

⁴ Section 536.090, RSMo 2000.

⁵ On September 10, 2012.

⁶ On September 14, 2012.

⁷ 4 CSR 240-2.080(15).

⁸ Though made a party under 4 CSR 240-2.010(11), the Office of the Public Counsel has exercised its option under Section 386.710.1(2) and (3), RSMo 2000, of entering no appearance.

⁹ That circumstance constitutes good cause for this order to be effective in less than 30 days. Section 386.490.2, RSMo Supp. 2011.

¹⁰ Section 393.1015.1(4), RSMo Supp. 2011.

- An ISRS in accordance with the amended recommendation is sufficient to recover appropriate pretax revenue;¹¹ and
- The rates as adjusted are just and reasonable.¹²

Therefore, the Commission will reject the pending tariff, and direct the Company to file a tariff with ISRS rates authorized in accordance with the amended recommendation as set forth below.

THE COMMISSION ORDERS THAT:

1. The tariff sheet to which the Commission assigned tracking number JG-2013-0028, is rejected. The specific tariff sheet rejected is:

P.S.C. MO. No. 1

Fourteenth Revised Sheet No. 10, Canceling Thirteenth Revised Sheet No. 10

2. The Commission authorizes the Company to impose an infrastructure system replacement surcharge ("ISRS") as set forth in the amended recommendation as described in the body of this order ("amended recommendation"). Such ISRS shall include ISRS surcharge revenues, in the incremental amount of annual pre-tax revenues, of \$823,284, which cumulatively generates \$4,601,712 annually. The Company shall set an ISRS rate for each customer class as set forth in the amended recommendation.

3. No later than October 9, 2012, the Company shall file any new tariff sheet necessary to collect an ISRS as described in paragraph 2, and the Commission's staff shall file a recommendation as to such tariff sheet no later than October 19, 2012.

4. This file shall remain open for the filings described in paragraph 3 and the Commission's order on the new tariff sheet.

¹¹ *Id.*

¹² Section 393.150, RSMo 2000.

5. This order shall become effective on September 28, 2012.

BY THE COMMISSION

(S E A L)

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name of the Secretary.

Steven C. Reed
Secretary

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

Jordan, Senior Regulatory Law Judge