

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 27th day
of June, 2012.

In the Matter of the Verified Application and)	
Petition of Laclede Gas Company to Change its)	<u>File No. GO-2012-0356</u>
Infrastructure System Replacement Surcharge)	Tariff File No. YG-2012-0623

**ORDER REGARDING ADJUSTED ISRS RATES AND
ORDER GRANTING MOTION FOR EXPEDITED TREATMENT**

Issue Date: June 27, 2012

Effective Date: July 9, 2012

On April 27, 2012¹, Laclede Gas Company (hereafter “Laclede”) filed an application with the Missouri Public Service Commission under Sections 393.1009, 393.1012 and 393.1015, RSMo Cum. Supp. 2010, requesting that the Commission authorize the company to adjust its Infrastructure System Replacement Surcharge (hereafter “ISRS”) for numerous gas utility plant projects. Laclede’s request to change its ISRS rates was accompanied by an implementing tariff. That tariff has an effective date of July 9.

In its ISRS application, Laclede seeks to adjust its ISRS rate schedule to reflect costs incurred in connection with ISRS-eligible infrastructure system replacements made during the period of December 1, 2011 through March 31, including pro forma ISRS costs updated from April 1 through May 31. The specific infrastructure system

¹ All calendar references are to 2011 unless otherwise indicated.

replacements for which Laclede seeks ISRS recognition are set forth in Appendix A to its application.

Section 393.1015.1(2), RSMo, requires that the Commission publish notice of Laclede's ISRS filing. Therefore, on April 30, the Commission directed that notice of the filing be mailed to the county commission of the counties served by Laclede, as well as to the corresponding governing body for the City of St. Louis. It also directed that notice be given to the media serving the area served by Laclede and to the members of the General Assembly representing that area.

In that same order, the Commission directed that any person wishing to intervene in this matter file an application to intervene no later than May 21. The Commission received an intervention request from USW Local 11-6, which the Commission granted.

Section 393.1015.2(2), RSMo, requires the Staff of the Commission (hereafter "Staff") to file a report regarding an ISRS application no later than 60 days after it was filed. Staff filed its recommendation on June 22, advising the Commission to reject the tariff sheets.

Those sheets would allow Laclede to recover incremental annual pre-tax revenues of \$3,054,771. Instead, Staff recommends that Laclede be authorized to file ISRS rates as reflected in Attachment A to the Staff Recommendation. Tariff sheets comporting with Attachment A would allow Laclede to recover an incremental amount of annual pre-tax revenues of \$3,222,113.

On June 22, the Commission ordered Laclede to respond to Staff's Recommendation no later than noon, June 26. That same order also allowed any other party to respond by that same deadline.

Laclede responded on June 22, stating that it agreed with and accepted Staff's recommendation. Laclede filed a specimen tariff to reflect the \$3,222,113 incremental ISRS revenue requirement that it and Staff agreed upon. The Commission received no other responses to the Staff Recommendation.

Laclede also included a Motion for Expedited Treatment with its response, asking that the Commission reject the currently filed tariff, and asking that the Commission direct Laclede to file a revised tariff sheet effective July 9 with the same rates listed in the specimen tariff sheet.

Based on Laclede's application and Staff's report regarding that application, the Commission concludes that Laclede should be permitted to adjust its ISRS rates. Laclede's current tariff implementing those rates will be rejected, and Laclede is ordered to file a tariff that reflects the rates recommended by Staff and agreed upon by Laclede.

The Commission further finds that good cause exists for Laclede to be excused from the Section 393.140(11) requirement that tariffs have a 30-day effective date. Also, the Commission finds that good cause exists for Laclede to be excused from the Commission Rule 4 CSR 240-4.020 requirement of filing a 60-day notice prior to filing its application.

To constitute good cause, the reason or legal excuse given "must be real not imaginary, substantial not trifling, and reasonable not whimsical."² Laclede states, and the Commission finds, that there will be no negative effect on its customers or the general public if the Commission allows the tariff to become effective on or before July 9, 2012.

² *Belle State Bank v. Indus. Comm'n*, 547 S.W.2d 841, 846 (Mo. App. 1977). See also *Barclay White Co. v. Unemployment Compensation Bd.*, 50 A.2d 336, 339 (Pa. 1947) (to show good cause, reason given must be real, substantial, and reasonable).

THE COMMISSION ORDERS THAT:

1. Laclede Gas Company is authorized to file a tariff to adjust its Infrastructure System Replacement Surcharge rates in the manner agreed upon as listed in the Staff Recommendation and Response to Staff Recommendation.
2. The Motion for Expedited Treatment filed by Laclede Gas Company is granted.
3. The tariff sheet filed by Laclede Gas Company on April 27, 2012, assigned tariff number YG-2012-0623, is rejected.
4. This order shall become effective on July 9, 2012.
5. This case shall be closed on July 10, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

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

Pridgin, Senior Regulatory Law Judge