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In the Matter of the Laclede Gas)
Company's Depreciation Data Base.)

Case No. GO-97-79

This docket was established to resolve the issue of what data Laclede Gas Company (Laclede) must supply, and in what format, to the Staff of the Missouri Public Service Commission (Staff) for determining proper depreciation rates for Laclede's plant, facilities, equipment, and other depreciating assets. On September 26, 1997, Laclede and Staff filed a Stipulation and Agreement. On October 14 Staff filed a Memorandum in Support of the Stipulation and Agreement.

The Commission's rules provide that non-signatory parties have five days after receipt of the notice that a Stipulation and Agreement has been filed to request a hearing regarding the Stipulation and Agreement and, if no such request is made, the Commission should treat the Stipulation and Agreement as a Unanimous Stipulation and Agreement. (4 CSR 240-2.115(3)). The Commission may approve the Stipulation and Agreement without having an on-the-record presentation in this case because the due process requirements as set out in State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989) have been met. Non-signatory parties had an opportunity to request a hearing and have waived their rights by not requesting a hearing.

The Agreement provides that Laclede has provided to Staff certain plant depreciation study data, in an electronic format (the "1964-84 Data Base"), which data has been determined by Staff to satisfy the data requirements sought in this case. Laclede agrees to retain a copy of the 1964-84 Data Base, in its original format, so that the source data will remain available to Staff, upon request. Staff has converted the 1964-84 Data Base into a format compatible with Staff's present depreciation software, and has furnished the results of said conversion to Laclede. Laclede will use the Converted 1964-1984 Data Base, and its other depreciation records, to provide the Staff with an integrated depreciation data base compatible with Staff's depreciation software.

The parties agree that by providing the data as specified in the Agreement, Laclede will fulfill its obligation under Commission rules with reference to depreciation data for general rate case filing requirements, regardless of when Laclede initiates a general rate case proceeding. The parties further agree that nothing in this agreement precludes either of them from making adjustments to the data deemed appropriate in a general rate case.

The Commission finds that the proposed Stipulation and Agreement is in the public interest and should be approved. The proposed Stipulation and Agreement is consistent with the Commission's obligation to ensure just and reasonable rates. **See** Section 393.130.¹

¹ All statutory references are to Revised Statutes of Missouri 1994.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed by the Staff of the Missouri Public Service Commission and Laclede Gas Company on September 26, 1997 is hereby approved (Attachment 1).

2. That this order shall become effective on November 10, 1997.

BY THE COMMISSION

A handwritten signature in cursive script, reading "Cecil I. Wright".

**Cecil I. Wright
Executive Secretary**

(S E A L)

Lumpe, Ch., Crumpton, Murray,
and Drainer, CC., concur.

Luckenbill, Deputy Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
SEP 26 1997
MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of the Laclede)
Gas Company's Depreciation) Case No. GO-97-79
Data Base

STIPULATION AND AGREEMENT

On September 4, 1996, the Missouri Public Service Commission ("Commission") established the above-captioned docket to resolve questions concerning what data Laclede Gas Company ("Laclede") would be required to supply, and in what format, to the Commission Staff ("Staff") for purposes of determining appropriate depreciation rates for Laclede's plant, facilities, equipment, and other depreciating assets. On September 26, 1996, a prehearing conference was held in this proceeding, as scheduled by the Commission. Laclede, Staff and the Office of the Public Counsel (collectively the "Parties") were the only persons or entities to attend the prehearing conference. As a result of the prehearing conference, a procedural schedule was proposed by the Parties and subsequently adopted by the Commission by Order dated October 10, 1996. The procedural schedule was subsequently modified, by Orders dated August 7, 1997 and September 8, 1997.

Pursuant to the aforesaid procedural schedule, on November 15, 1996, Laclede filed the Direct Testimony and Schedules of Mr. Richard A. Kottemann, Jr., and Staff filed the Direct Testimony and Schedules of Mr. Paul W. Adam.

Thereafter on December 13, 1996, Laclede filed the Rebuttal Testimony and Schedules of Mr. Richard A. Kottemann, Jr. and Dr. Ronald E. White, and Staff filed the Rebuttal Testimony of Mr. Paul W. Adam. The Office of the Public Counsel filed no testimony in this proceeding.

Upon review of the above-referenced testimony, the undersigned Parties held additional discussions regarding the issues under consideration in this proceeding. As a result of those discussions, the Parties have reached the following stipulations and agreements, which are intended to resolve all pending issues in this proceeding:

1. Laclede has provided to Staff certain plant depreciation study data, in an electronic format (the "1964-84 Data Base"), which data has been determined by Staff to satisfy the data requirements sought in this case. The 1964-84 Data Base contains annual balances and retirement history for the period from 1964 through 1984.

2. The Parties agree that the 1964-84 Data Base is representative of the annual balances for Laclede's depreciable plant accounts, and that such balances are consistent with the balances contained in Laclede's underlying books and records for the 1964 through 1984 period. Laclede agrees to retain a copy of the 1964-84 Data Base, in its original format, so that the source data will remain available to Staff, upon request.

3. Staff has converted the 1964-84 Data Base into a format compatible with Staff's present depreciation software,

and has furnished the results of said conversion (the "Converted 1964-84 Data Base") to Laclede.

4. Laclede agrees to utilize the Converted 1964-1984 Data Base, and its other depreciation records, to provide the Staff with an integrated depreciation Data Base compatible with Staff's depreciation software (the "Integrated Data Base"). The Integrated Data Base shall consist of two components. The first component of the Integrated Data Base shall be initially provided to Staff on or before December 1, 1997 and shall be comprised of depreciation data for the seven plant accounts listed on Exhibit A attached hereto (the "First Component"). For those seven accounts included in the First Component, Laclede shall maintain and provide data in a single data file for each account commencing with the earliest year of available data for each account as contained in the Converted 1964-84 Data Base and ending with the latest year of available data at the time of submission which, for purposes of the initial submission of the First Component, shall be accounting year 1996. Thereafter, Laclede shall submit this First Component in a single data file for each account each time it submits its depreciation study, data base and property unit catalog pursuant to 4 CSR 240-40.040. On or before December 1, 1997, Laclede shall also provide the Staff with a written explanation of how the plant accounts from the 1964-1984 Data Base correspond to the seven plant accounts listed in Exhibit A.

5. The second component of the Integrated Data Base shall be initially provided to Staff on or before December 1,

1999 and shall be comprised of depreciation data for all of Laclede's depreciable plant accounts which are not listed in Exhibit A (the "Second Component"). For the accounts included in the Second Component, Laclede shall maintain and provide data in one data file for each account commencing with accounting year 1982, and ending with the latest year of available data which, for purposes of the initial submission of the Second Component, shall be accounting year 1998. Thereafter, Laclede shall submit this Second Component each time it submits its depreciation study, data base and property unit catalog pursuant to 4 CSR 240-40.040.

6. Laclede agrees that it will maintain the Integrated Data Base, and will update such Data Base by incorporating each future accounting year's additions, retirements and adjustments to each plant account.

7. The Parties agree that by providing the data as specified in this Agreement, Laclede will fulfill its obligation under Commission rules with reference to depreciation data for general rate case filing requirements, regardless of when Laclede may initiate a general rate case proceeding. The Parties further agree that nothing in this agreement precludes either of them from making adjustments deemed appropriate to the data in a general rate case.

8. The Parties expressly understand that Laclede's commitment extends only to the maintenance and filing of the above-mentioned data, and in no manner obligates either Party to use a particular electronic format, or a specific number of years of depreciation data, for any purpose (including,

without limitation, for the purpose of performing that Party's own depreciation studies in any subsequent rate case proceeding). Nor is such commitment to be construed or relied upon in any way as an indication of what format, or number of years of depreciation data, is necessary or appropriate for purposes of evaluating or setting depreciation rates in any other context.

9. None of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, any method of cost determination or cost allocation, or any service or payment standard; and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding, except as otherwise expressly specified herein.

10. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt Paragraphs 1 through 8 of this Stipulation and Agreement, in their entirety, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

11. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1 (RSMo. 1994) to present testimony, to cross-examine witnesses, and to present oral argument and written briefs; their respective rights to the

reading of the transcript by the Commission pursuant to Section 536.080.2 (RSMo. 1994); and their respective rights to judicial review pursuant to Section 386.510 (RSMo. 1994).

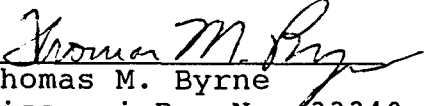
12. The Parties agree that all of the prefiled testimony submitted by Laclede and Staff in Case No. GO-97-79 shall be received into evidence, without the necessity of their respective witnesses taking the witness stand.

13. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each Party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all Parties. All memoranda submitted by the Parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules; shall be maintained on a confidential basis by all Parties; and shall not become a part of the record of this proceeding or bind or prejudice the Party submitting such memorandum in any future proceeding or in this proceeding, whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, promptly provide the other Parties with advance notice of when the Staff shall respond to the Commission's requests from Staff (and afford all such parties, to the maximum extent practicable, the right to be present at such oral explanation). Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the terms and conditions of this Stipulation and Agreement.

Respectfully Submitted,


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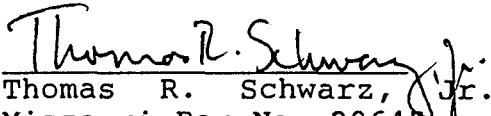

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EXHIBIT A

<u>Account Number</u>	<u>Description</u>
376.10	Steel Mains (Laclede)
376.20	Cast Iron Mains (Laclede)
376.30	Plastic Mains (Laclede)
380.10	Steel Services (Laclede)
380.20	Plastic & Copper Services (Laclede)
381.00	Meters (Laclede)
383.00	House Regulators (Laclede)
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Total 7 Accounts	