

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 26<sup>th</sup> day of April, 2017.

In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Missouri Gas Energy Service Territory	)	
	)	<b><u>File No. GO-2017-0201</u></b>
	)	Tariff No. YG-2017-0157
	)	

In the Matter of the Application of Laclede Gas Company to Change its Infrastructure System Replacement Surcharge in its Laclede Gas Service Territory.	)	
	)	<b><u>File No. GO-2017-0202</u></b>
	)	Tariff No. YG-2017-0156
	)	

**ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT**

Issue Date: April 26, 2017

Effective Date: May 6, 2017

On April 18, 2017, Laclede Gas Company, on behalf of its operating units Laclede Gas and Missouri Gas Energy, the Staff of the Commission (Staff), and the Office of the Public Counsel (Public Counsel) filed a unanimous stipulation and agreement resolving all issues regarding Laclede Gas Company's requests to change its infrastructure system replacement surcharges (ISRS).

The stipulation and agreement states that Laclede Gas Company's most recent ISRS proceedings, GO-2016-0332 and GO-2016-0333, concluded with a Report and Order denying Public Counsel's issue regarding ISRS eligibility of the plastic portion of certain main and service line replacements. The parties also state that those cases, and specifically the plastic pipe issues, are now under appeal at the Missouri Court of Appeals for the Western District, Case No. WD80544. The parties also state that the court will conclusively resolve this plastic pipe issue. Therefore, the parties have

unanimously agreed to recommend that the Commission approve the ISRS changes pending the outcome of the appeal and to apply a final court ruling, as needed, to the current case.

The parties agree that if the courts do not reverse the Commission's earlier Report and Order in Case Nos. GO-2016-0332 and GO-2016-0333, on the grounds that the Commission's decision on the plastic pipe issue is unlawful or unreasonable, then no adjustment will be made to the plant amounts included in the ISRS change in this case. However, if the courts make a final decision reversing the Commission's Report and Order on the grounds that the decision on the plastic issue was unlawful or unreasonable, then the court decision will be applied to the current case in the same manner as it is applied in Case Nos. GO-2016-0332 and GO-2016-0333. Thus, if reversed due to the plastic pipe issue determination being unlawful or unreasonable, any of the parties may request that the Commission determine the amount of a refund and none of the other parties will object. If the case is reversed for some other reason, Public Counsel may request a refund, but the other parties maintain their right to contest the methodology or amount of the refund. The parties additionally note that the ISRS investments remain subject to a review for prudence in the pending Laclede and Missouri Gas Energy rate cases, Case Nos. GR-2017-0215 and GR-2017-0216. Further, if the court reverses the Commission's decision, Laclede Gas Company and Missouri Gas Energy agree to make available work order or other information in their possession necessary to make a determination of the amount of plastic pipe that was replaced.

After reviewing the stipulation and agreement, the Commission independently finds and concludes that the stipulation and agreement is a reasonable resolution of the issues in this case and allow for the best use of Commission and party resources. Thus, the Commission determines that the Unanimous Stipulation and Agreement should be approved and the rates that the Staff recommended in its April 4 Recommendations in the current cases should be approved.

**THE COMMISSION ORDERS THAT:**

1. The Unanimous Stipulation and Agreement filed on April 18, 2017, is approved as a resolution of all issues in the current cases. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order and incorporated by reference.

2. The tariff sheet filed by Missouri Gas Energy on February 3, 2017 (Tariff No. YG-2017-0157), P.S.C. MO No. 6, Eighth Revised Sheet No. 10 cancelling P.S.C. MO. No. 6, Seventh Revised Sheet No. 10 is rejected.

3. The tariff sheet filed by Laclede Gas Company on February 3, 2017 (Tariff No. YG-2017-0156), P.S.C. MO No. 5 Consolidated, Twenty-Eighth Revised Sheet No. 12 cancelling P.S.C. MO. No. 5 Consolidated, Twenty-Seventh Revised Sheet No. 12 is rejected.

4. Missouri Gas Energy is authorized to file tariff sheets in compliance with this order which include ISRS surcharge revenues in the incremental pre-tax revenue amount of \$3,000,749, with a total current and cumulative ISRS surcharge of \$16,440,470.

5. Missouri Gas Energy is authorized to file tariff sheets with an ISRS rate for each customer class as reflected in Appendix B of the Staff Recommendation filed on April 4, 2017, in Case No. GO-2017-0201, which generates \$16,440,470 annually.

6. Laclede Gas Company is authorized to file tariff sheets in compliance with this order which include ISRS surcharge revenues in the incremental pre-tax revenue amount of \$3,044,481, with a total current and cumulative ISRS surcharge of \$32,571,375.

7. Laclede Gas Company is authorized to file tariff sheets with an ISRS rate for each customer class as reflected in Appendix B of the Staff Recommendation filed on April 4, 2017, in Case No. GO-2017-0202, which generates \$32,571,375 annually.

8. The authorized tariff filings shall bear an effective date no earlier than June 1, 2017.

9. The procedural schedule previously ordered is canceled.

10. This order shall become effective on May 6, 2017.

**BY THE COMMISSION**



*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney,  
Rupp, and Coleman, CC., concur.

Dippell, Senior Regulatory Law Judge