

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)	
Laclede Gas Company for an Accounting)	
Authority Order Authorizing the Company)	
to Defer for Future Recovery the Costs of)	Case No. GU-2007-0137
Complying With the Permanent)	
Amendment to the Commission's Cold)	
Weather Rule)	

STAFF RESPONSE TO COMMISSION ORDER

COMES NOW the Staff and in response to the Commission's November 1 Order Directing Staff to Indicate When It Will File Its Recommendation and states:

1. The Commission approved Amendments to the Cold Weather Rule at 4 CSR 240-13-055, including Sections 14 (F) and (G), which permit providers of natural gas service to "defer and recover the costs of complying with the rule through a one (1)-term Accounting Authority." 4 CSR 240-13.055(14)(G).

2. Section 4 CSR 240-13.055(14)(G) states that the Commission shall grant an Accounting Authority Order upon application of a gas utility that serves residential customers.

3. Any AAO so granted will, by rule, be effective until September 30 of the following year, so the AAO granted by the Commission in response to Laclede's request in this case will be effective until September 30, 2007.

4. If Laclede files a request for determination before October 31, 2007, with all supporting documentation as required by 4 CSR 240-13.055 (G) 2, Staff will have 120 days from the date of that filing to make its recommendation to the Commission.

Between September 30 and October 31 each year, if a utility intends to seek recovery of any of the cost of compliance with this section, the utility shall file a request for determination of the cost of compliance with this section for the preceding winter season. The request by the utility shall include all supporting information.

5. Staff recommends the Commission grant an AAO permitting Laclede to book to Account 186 for review, audit and recovery of incremental expenses incurred and incremental revenues that are caused by this section of the Commission's rules. 4 CSR 240-13.055(14)(G)2.

WHEREFORE Staff recommends the Commission grant Laclede' request for an AAO consistent with the Commission's rules permitting a utility to defer and recover the costs of complying with the Permanent Cold Weather Rule as set forth at 4 CSR 240-13.055(14)(G)2.

Respectfully submitted,

/s/ Lera L. Shemwell

Lera L. Shemwell
Deputy General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431 (Telephone)
(573) 751-9285 (Fax)
E-mail: lera.shemwell@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mail to all counsel of record this 13th day of November 2006.

/s/ Lera L. Shemwell