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FILED<sup>2</sup>

MAY 21 2003

May 21, 2003

Missouri Public  
Service Commission

Mr. Dale Hardy Roberts  
Executive Secretary  
Missouri Public Service Commission  
200 Madison Street, PO Box 360  
Jefferson City, MO 65102-0360

RE: In the Matter of the Tariff Filing of Laclede Gas  
Company - Case No. GT-2003-0032  
Tariff No. JG-2003-0048

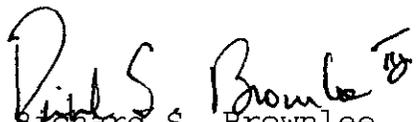
Dear Mr. Roberts:

Enclosed please find the original plus eight (8) copies of MSBA's Response to Order Setting Conference on behalf of Missouri School Boards' Association in the above-captioned matter.

If you have any questions concerning the enclosed, please give me a call. Thank you.

Very truly yours,

HENDREN AND ANDRAE, L.L.C.

  
Richard S. Brownlee, III

RSB\sa  
Enclosures  
Public Counsel  
General Counsel  
All Counsel of Record  
Melissa Randol  
Louie R. Ervin  
Robert McWilliams

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MAY 21 2003

Missouri Public  
Service Commission

## BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of the Tariff Filing of ) Case No. GT-2003-0032  
Laclede Gas Company )

### MSBA RESPONSE TO ORDER SETTING CONFERENCE

In its order effective May 21, 2003, the Commission set a conference to be held on May 22, 2003, beginning at 10:00 a.m. at the Commission's office in Jefferson City, Missouri. The purpose of the Conference is to discuss the impact on issues in this case due to the recently passed House Bill 208 and Senate Bill 686 which will have a significant impact on the issues in this case. MSBA Attorney, Richard Brownlee, is out of town and will not be able to attend but will be represented by Keith Wenzel. Louie Ervin, MSBA's energy consultant, requests permission to attend the conference via telephone because of the shortness of notice and the 10-hours round trip. MSBA will have one or more staff persons attend in person. MSBA addresses the Commission questions as follows:

Q. To what extent does the passage of HB208 change the landscape in which the Commission is to consider the treatment of capacity costs?

A. HB208 and SB 686, if they become law, makes it clear that the proposed Laclede tariff is in conflict with the law and the MSBA proposed tariff is in compliance with the law. The MSBA proposed tariff is the only proposed tariff that complies with both HB208 and SB 686, which require that tariffs shall not require eligible school entities to be responsible for pipeline capacity charges for longer than is required by the gas corporation's tariff for large industrial and commercial basic transportation customers. They further require that the Commission treat the gas corporation's pipeline capacity costs for associated eligible school entities in the same manner as for large industrial or commercial basic

transportation customers, which shall not be considered a negative financial impact on the gas corporation, its other customers or local taxing authorities.

Q. What harm will occur if the Commission does not approve a revised program by June 1, 2003, as requested by the parties in the Stipulation and Agreement?

A. The MSBA supports delaying the Commission approval a revised program until after the Governor signs one or both bills in to law, even if it is after June 1, 2003. If the Governor has signed one or both bills into law by July 31, 2003 as expected, no real harm will occur if the Commission does not approve a revised program until August 1, 2003, with an effective date of September 1, 2003. If the Governor does not sign one or both bills into law until after July 31, 2003, schools will be harmed but the harm will be manageable if the Commission approves a revised program within a few days following the Governor's signature with an effective date of September 1, 2003. To allow time for all the logistics for MSBA to request, receive and assemble historic schools usage, to evaluate which school accounts to enroll in the program, for individual School Boards to have public hearings and to adopt resolutions to participate in the program, for MSAB to process paperwork and actually enroll schools with Laclede, to prepare, solicit and evaluate gas supply bids, to contract for gas supply, and to arrange for interstate transportation and to nominate gas supply, MSBA needs to begin the process on or about August 1, 2003 in order to have an already delayed program commence at the beginning of the next heating season.

Q. If the Commission adopted Laclede's proposal, and approved a tariff substantially similar to that proposed by Laclede, what would be the effect on that tariff if HB208 becomes effective on August 28?

A. If the Commission adopted Laclede's proposal, and approved a tariff substantially similar to that proposed by Laclede it would create confusion for prospective participant

schools and would require all parties to go through a potentially contested tariff revision process if HB208 and/or SB686 becomes effective on August 28. However, if the Commission were to adopt by June 1, 2003 a tariff substantially similar to that proposed by Laclede to become effective on August 28, then the following changes should be made to the proposed Laclede tariff:

1. Sheet 41, Paragraph B: Change "By September 1 of each year except for the First Aggregation Year" to "By September 1 of each year except for the First and Second Aggregation Years."
2. Sheet 42, Paragraph E: Change "May 31, 2003" to "August 31, 2003".
3. Sheet 43, Paragraph E (Continued): Change "The amount of capacity released through May 31, 2003" to "The amount of capacity released through August 31, 2003." Change: "The parties will request that the Commission issue its decision to be effective June 1, 2003" to "The parties will request that the Commission issue its decision by August 1, 2003, or within one week following Missouri Governor's signature of either HB208 or SB 686, to be effective September 1, 2003."

The other dates in the proposed Laclede tariff do not appear to need changing.

Respectfully submitted,

HENDREN AND ANDRAE, L.L.C.



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**ATTORNEYS FOR INTERVENOR**

## CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been mailed or and-delivered to the following on this 21st day of May, 2003:

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