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August 23, 2002

**By Hand Delivery**

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102-0360

**FILED<sup>3</sup>**  
AUG 23 2002

Re: Case No. GR-2002-356

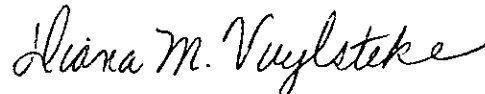
Missouri Public  
Service Commission

Dear Judge Roberts:

Enclosed for filing on behalf of the Missouri Industrial Energy Consumers in the above-referenced case are an original and eight (8) copies of the Missouri Industrial Energy Consumers' Statement of Position. I would appreciate it if you would have the additional copy file-stamped and returned to the person delivering this testimony to you.

Thank you for your assistance in bringing this filing to the attention of the Commission

Very truly yours,



Diana M. Vuylsteke

DMV:rs

cc: All Parties of Record

Enclosures

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

In the Matter of Laclede Gas )  
Company's Tariff to Revise Natural )  
Gas Rate Schedules )

Case No. GR-2002-356

**FILED<sup>3</sup>**  
**AUG 23 2002**  
Missouri Public  
Service Commission

**MISSOURI INDUSTRIAL ENERGY CONSUMERS'  
STATEMENT OF POSITION**

Comes now Adam's Mark Hotel, Alcoa Foil Products, Anheuser-Busch Companies, Inc., The Boeing Company, Daimler-Chrysler, Ford Motor Company, General Motors Corporation, Hussmann Refrigeration, Monsanto Company, Nestle Purina, Procter & Gamble Manufacturing, Solutia and Tyco Healthcare, hereafter referred to as the "Missouri Industrial Energy Consumers" or "MIEC" and files its Statement of Position as follows:

Class Cost of Service: How should Laclede's cost of service be assigned to customer classes?

There are large differences among the customer classes in regard to the amount of usage and the pattern of usage, and the result is that the average costs per therm incurred by Laclede vary widely among customer classes. A variety of rates is needed because of these cost differences.

Laclede distributes gas through a gas distribution network consisting of six integrated systems, operating at different pressure levels. Customer service lines are connection to a particular pressure level system main, and utilize part or all of the system to deliver service. Customers should be allocated a share of the costs only for those part of the gas distribution system they use, pursuant to the cost of service study summarized in Rebuttal Schedule 1 of the Rebuttal Testimony of John W. Mallinckrodt.

Rate Design: How should the Commission implement any revenue changes it orders in this case?

The cost of service study of John Mallinckrodt demonstrates that the Large Volume Transportation Sales Service rates are above cost and should be lowered. Rates should be adjusted so that the non-gas revenues provided by the customer classes will more accurately collect the cost of providing service pursuant to Rebuttal Schedule 2 of the Rebuttal Testimony of John W. Mallinckrodt. After the cost adjustments, any increase or decrease approved in this proceeding should be spread among the customer classes in proportion to the non-gas revenues for each class.

Respectfully submitted,

BRYAN CAVE, LLP

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing on each party on the Commission's official service list in this case.

Diana M. Vuylsteke