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September 5, 2002

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

Re: Case No. GR-2002-356

Dear Mr. Roberts:

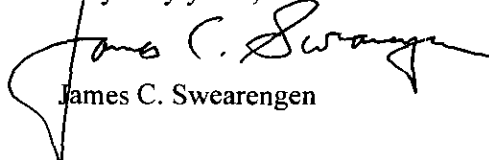
I deliver herewith for filing with the Missouri Public Service Commission ("Commission") on behalf of Laclede Gas Company, the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, MIEC, and Missouri Energy Group an original and eight (8) copies of a Second Amended Stipulation and Agreement.

Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

A copy of this filing is being provided to all parties.

I thank you in advance for your cooperation in this matter.

Very truly yours,



James C. Swearengen

JCS/lar  
Enclosure

cc: Lera Shemwell  
Doug Micheel  
Diana M. Vuylsteke  
Lisa Langeneckert  
Thomas M. Byrne  
Jan Bond

FILED<sup>2</sup>  
SEP 05 2002  
Missouri Public  
Service Commission

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

**FILED<sup>2</sup>**  
**SEP 05 2002**  
**Missouri Public  
Service Commission**

In the Matter of Laclede Gas                    )  
Company's Tariff to Revise Natural        )  
Gas Rate Schedules.                            )  
Case No. GR-2002-356

**SECOND AMENDED STIPULATION AND AGREEMENT**

On August 20, 2002, Laclede Gas Company ("Laclede" or "Company"), the Staff of the Missouri Public Service Commission ("Staff") and the Office of the Public Counsel ("Public Counsel") filed a Partial Stipulation and Agreement (hereinafter "Initial Stipulation and Agreement") in the above-referenced case which recommended a resolution of all of the revenue requirement issues raised in this case as well as several ancillary issues. Thereafter, on August 29, 2002, the same Parties filed a First Amended Partial Stipulation and Agreement in which they recommended a proposed resolution of two of the remaining three issues in this case. These included the issue of "what kind of weather mitigation clause or weather mitigation rate design, if any, should be approved by the Commission" and the issue of "whether the Commission should adopt a gas supply incentive plan for the Company as part of Public Counsel's weather proposal." (*see* subparagraph 17(b) and (c) of the Initial Stipulation and Agreement).

Since the First Amended Partial Stipulation and Agreement was filed, all of the active parties to this case have held additional discussions in an effort to resolve the remaining issue in this case, namely, the issue of how any rate increase should be allocated between the Company's various customer classes. As a result of those

discussions, the undersigned parties (the "Parties") have reached the following stipulations and agreements resolving this issue.

**Incorporation by Reference**

1. Except as otherwise amended herein, the Parties agree that all of the terms, conditions and provisions of the Initial Stipulation and Agreement and the First Amended Partial Stipulation and Agreement filed in this case shall be and hereby are incorporated herein by reference, except that the date set forth in paragraph 19 of the Initial Stipulation and Agreement shall be changed to September 20, 2002.

**Allocation of Rate Increase**

2. The Parties recommend that the proposed rate increase of Fourteen Million Dollars (\$14,000,000) be allocated to each of the Company's customer rate classes in the following manner: First, the existing revenue responsibility for the three new General Service Commercial and Industrial customer classes shall be adjusted by increasing the revenue responsibility for Classes 2 and 3 in an aggregate amount of \$200,000 and decreasing the revenue responsibility for Class 1 by \$100,000, with such adjustments to be effectuated largely through modifications to the customer charge in each class, and with rate continuity being the primary consideration. Second, the existing revenue responsibility for the Large Volume Transportation and Sales Service ("LVTSS") rate class shall be adjusted by reducing it by \$100,000. Third, after making such adjustments, the adjusted class revenue responsibility for all customer classes shall be increased on an equal percentage basis. For the General Service Residential Class, such increase shall be effectuated through an equal percentage increase to both the first block of the winter rates and the two blocks of the summer rates. For the General Service Commercial and

Industrial customer classes, such increase shall be effectuated through changes to the customer charge, the first block of the winter rates and, as nearly as practicable, an equal percentage increase to the two blocks of the summer rates, with rate continuity being the primary consideration. For the LVTSS class, the increase shall be entirely effectuated through an increase in the customer charge, which shall be additionally increased by \$5.00 per month, provided that for any single customer with eight or more separate accounts with multiple meters located on contiguous property, such customer charge increase shall not be applied to more than eight accounts during the term of this Agreement. For all other rate classes, the increase shall be effectuated through, as nearly as practicable, an equal percentage increase to all rate elements.

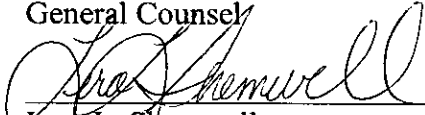
#### **Effective Date**

3. The Parties recommend that the terms and conditions set forth herein as well as in the First Amended Partial Stipulation and Agreement and the Initial Stipulation and Agreement be implemented effective for service on and after November 1, 2002, subject to the terms specified in such Stipulations and Agreements.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Second Amended Stipulation and Agreement, the First Amended Partial Stipulation and Agreement and the Initial Stipulation and Agreement filed in this case.

Respectfully submitted,

DANA K. JOYCE  
General Counsel



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