

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
August 6, 2001**

CASE NO: GR-2001-629

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

**Gerald T. McNeive, Jr./Michael C.
Pendergast**
Laclede Gas Company
720 Olive Street
St. Louis, MO 63101

Jan Bond
Dickemper, Hammond, Shinnery, Turcotte
and Larrew, P.C.
7730 Carondelet Avenue, Suite 200
St. Louis, MO 63105

Diana M. Vuylsteke
Bryan Cave, LLP
211 N. Broadway, Suite 3600
St. Louis, MO 63102

Joseph Schulte
P.A.C.E. Local 5-6
7750 Olive St.
St. Louis, MO 63130

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Lisa C. Langeneckert, Esq.
Missouri Energy Group
720 Olive Street, Suite 2400
St. Louis, MO 63101

Ronald K. Evans
Ameren Services Company
1901 Chouteau Avenue
P. O. Box 66149 (MC 1310)
St. Louis, MO 63166-6149

Edward F. Downey
221 Bolivar Street
Jefferson City, MO 65101

Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Tariff to Revise) Case No. GR-2001-629
Natural Gas Rate Schedules) Tariff No. 200101125

ORDER MODIFYING AND ADOPTING PROCEDURAL SCHEDULE - ADOPTING TEST YEAR - AND PROVIDING FOR TRUE-UP AUDIT

This order modifies and adopts a procedural schedule, adopts a test year and provides for a true-up audit.

Prehearing Conference and Related Motions:

A prehearing conference was held on July 16, 2001, primarily addressing scheduling matters. On July 27, 2001, the parties filed their Joint Recommendation for Procedural Schedule and Test Year and True-Up reflecting their agreements reached in the prehearing conference. The agreement concerning the test year and true-up audit is consistent with Laclede Gas Company's recommendation and motion filed on June 21, 2001, and with the recommendations, statements and suggestions filed in response on July 9, 2001, by the Commission's Staff and PACE.¹ The agreement further takes into account the on record discussions on July 16, 2001.

Procedural Schedule and Conditions:

The Commission has reviewed the proposed procedural schedule and finds that it is appropriate with limited modifications to avoid scheduling conflicts. The Commission finds that the following conditions should be applied:

¹ Paper, Allied-Industrial, Chemical, and Energy Workers Local 5-6, AFL-CIO.

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(A) The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. All parties shall comply with this rule, including the requirement that testimony be filed on line-numbered pages. The practice of prefiling testimony is designed to give parties notice of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays caused by allegations of unfair surprise at the hearing.

(B) The parties shall agree on and the Staff shall file a list of the issues to be heard, the witnesses to appear on each day of the hearing and the order in which they shall be called, and the order of cross-examination for each witness. The Commission will view any issue not contained in this list as uncontested and not requiring resolution.

(C) Each party shall file a statement of its position on each contested issue, with a summary of the factual and legal points relied on by the party. Such statement shall be simple and concise, shall follow the issues set out in the issues statement, and shall not contain argument. The position statement shall be filed in paper form and electronically submitted, either on computer disk or by e-mail. Electronically submitted documents shall be in Word, WordPerfect, or ASCII format. The Regulatory Law Judge's e-mail address is: kthornbu@mail.state.mo.us.

(D) All pleadings, briefs and amendments shall be filed in accordance with 4 CSR 240-2.080. The briefs submitted by the parties shall follow the issues statement filed in the case. The briefs must set forth and cite the proper portions of the record concerning the unresolved issues that are to be decided by the Commission. In this proceeding simultaneous briefs are being ordered.

(E) Each party may submit, with the initial brief, proposed findings of fact, conclusions of law, and ordered paragraphs, in both paper form and electronically, either

on computer disk or by e-mail. Electronically submitted documents shall be in Word, WordPerfect, or ASCII format. The Regulatory Law Judge's e-mail address is: kthornbu@mail.state.mo.us.

(F) All parties are required to bring an adequate number of copies of exhibits they intend to offer into evidence at the hearing. If an exhibit has been prefiled, only three copies of the exhibit are necessary for the court reporter. If an exhibit has not been prefiled, the party offering it should bring, in addition to the three copies for the court reporter, copies for the five Commissioners, the regulatory law judge, and all counsel.

Test Year and True-up Audit:

All of the parties recommend that the Commission adopt as the test year for use in this case the twelve months ended February 28, 2001, updated through July 31, 2001. The Commission finds that the test year proposed by the parties is appropriate and it will be adopted.

All of the parties recommend that the Commission establish a true-up ending date of December 31, 2001, provided that the necessary information is available in a timely manner. The items that may be considered for true-up audit include: a) revenues associated with customer additions; b) rate base components and associated depreciation; c) property taxes; d) changes in wages, salaries, and benefits including employee levels; e) rate case expense; f) changes in gas safety deferrals associated with the accounting authorization in Case No. GR-99-315; g) insurance expense; and, h) changes in capital structure. The items considered in the true-up audit must result in a proper matching of rate base, expenses and revenue.

The Commission finds that the true-up audit proposal is appropriate and it will be adopted provided that necessary information is available in a timely manner and that a balanced package of adjustments is presented to maintain the proper revenue-expense-rate base match within a proper time frame.

IT IS THEREFORE ORDERED:

1. That the following procedural schedule is established for this case:

Direct testimony of Staff and other parties on revenue requirement	-	October 11, 2001
Direct testimony of Staff and other parties on rate design	-	October 16, 2001
Local Public Hearings (subject to scheduling)	-	October 17 or 18, 2001
Prehearing Conference	-	October 22 - 26, 2001
Rebuttal Testimony by all parties	-	November 14, 2001
Joint Statement of Issues	-	November 27, 2001
Surrebuttal Testimony	-	December 6, 2001
Statements of Positions by all parties	-	December 11, 2001
Evidentiary Hearing 8:30 A.M.	-	December 17 - 21, 2001
Evidentiary Hearing (reserved if needed) 8:30 A.M.	-	January 3 - 4, 2002
True-up Testimony by all parties	-	January 25, 2002
Initial Briefs – All Parties	-	January 30, 2002
True-up Hearing 8:30 A.M.	-	January 31, 2002

Reply Briefs (Including True-up issues) - February 18, 2002

2. That the evidentiary and true-up hearings will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the prehearing.

3. That the test year adopted in this case shall be the twelve months ended February 28, 2001, updated through July 31, 2001.

4. That a true-up audit shall be conducted in this proceeding through December 31, 2001, provided that the necessary information is available in a timely manner. The items considered for true-up audit may include: a) revenues associated with customer additions; b) rate base components and associated depreciation and property taxes; c) changes in wages, salaries, and benefits including employee levels; d) rate case expense; e) changes in gas safety deferrals associated with the accounting authorization in Case No. GR-99-315; f) insurance expense; and, g) changes in capital structure. These or other items considered in the true-up audit must result in a proper matching of rate base, expenses and revenue.

5. That the evidentiary hearing previously scheduled for October 29 through November 2, 2001, is canceled.

6. That the true-up hearing previously scheduled for January 14, 2002, is canceled.

7. That this order shall become effective on August 16, 2001.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Keith Thornburg, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 6th day of August, 2001.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 6th day of August 2001.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

