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ORDER GRANTING INTERVENTION AND ESTABLISHING PROCEDURAL SCHEDULE

The Commission issued an order on March 17, 1998, that suspended the tariff sheets filed by Laclede Gas Company (Laclede) on February 27. The Commission's March 17 order also ordered Laclede to file its prepared direct testimony and schedules, minimum filing requirements, recommendation concerning the proper test year and any true-up request, by April 6. The Staff of the Commission (Staff) was directed to file a proposed procedural schedule before April 6. Staff, the Office of Public Counsel (OPC) and parties requesting intervention were ordered to file pleadings indicating their concurrence in Laclede's recommended test year or alternatives to Laclede's recommended test year, as well as a recommendation concerning true-up, by April 16. The Commission also established a deadline of April 16 for applications to intervene.

By Notice of March 20, the Commission extended the deadline for Laclede to file its direct testimony and schedules, minimum filing requirements and test year recommendation to April 16. The original April 16 deadline for the test year and true-up recommendations of Staff, OPC and potential intervenors was extended to April 27.

Union Electric Company, doing business as AmerenUE (AmerenUE), filed an Application for Intervention on March 19. AmerenUE stated that it is

an electric utility regulated by the Commission which operates in significant portions of the eastern half of the state of Missouri, and that many of AmerenUE's electric customers are also gas customers of Laclede. AmerenUE stated that it competes with Laclede for revenues generated by such customers and that, for this reason, its interests are different from those of the general public and cannot be adequately represented by any other party to this proceeding.

On March 20, the St. Louis Gas Users¹ filed an Application to Intervene. The St. Louis Gas Users asserted that they own and operate large industrial plants and hospitals within the state of Missouri, and are substantial purchasers of natural gas and transportation service from Laclede. According to the St. Louis Gas Users, the proposed rate increase as reflected in the rate schedules filed by Laclede in this proceeding will result in substantial increases in the cost of natural gas and transportation service to them. The St. Louis Gas Users stated their opposition to the rate increase and requested leave to intervene and participate fully as all other parties to this proceeding.

On April 6, the O.C.A.W., AFL-CIO, through Gas Workers Local 5-6, (Gas Workers Local 5-6) filed an Application to Intervene. Gas Workers Local 5-6 asserted that it is the collective bargaining representative for the employees of Laclede in the bargaining unit under a collective bargaining agreement made between Gas Workers Local 5-6 and Laclede. Gas Workers Local 5-6 asserted that the manner in which revenue requirement issues such as rate of return, payroll and employee benefit expenses are decided in this case could affect the employees of Laclede represented by

¹The St. Louis Gas Users identified themselves as Adam's Mark, Anheuser-Busch Companies Inc., Barnes-Jewish Hospital, Chrysler Corporation, Emerson Electric Company, The Boeing Company, MEMC Electronic Materials, Solutia, Inc., Nooter Corporation, and Ralston Purina Company.

the Gas Workers Local 5-6. Gas Workers Local 5-6 stated that it is vitally interested in protecting the interests of the employees of Laclede insofar as payroll and related taxes and employee benefit expenses are concerned, in that neither Laclede nor any other party would adequately represent the interests that Gas Workers Local 5-6 seeks to protect. Gas Workers Local 5-6 asserted that its expertise and experience would aid the Commission in resolving the issues in this proceeding and would therefore serve the public interest.

On April 6, Staff filed a proposed procedural schedule that included a deadline of April 16 for Laclede to file its direct testimony and schedules, minimum filing requirements, and test year and true-up recommendations. Staff proposed to have OPC, Staff and any intervenors file their test year recommendations by April 27. The Staff recommended other filing deadlines and prehearing conference dates, and also proposed to schedule dates for the evidentiary hearing in addition to those ordered by the Commission on March 17. No party filed suggestions in opposition to the Staff's motion. Laclede filed its direct testimony and supporting schedules, minimum filing requirements and proposed test year and true-up recommendations on April 16.

The Commission has reviewed the applications to intervene filed by AmerenUE, the St. Louis Gas Users and Gas Workers Local 5-6² and finds that these applications are in substantial compliance with the Commission rules regarding intervention. The Commission determines that participation by AmerenUE, the St. Louis Gas Users and Gas Workers Local 5-6 will aid the Commission in resolving the issues raised in this proceeding and that their

²MRT Energy Marketing Company (MRT) filed an application to intervene out of time on April 22. MRT's motion will be addressed in a separate order.

intervention will serve the public interest. The Commission concludes that the requests for intervention filed by AmerenUE, the St. Louis Gas Users and the Gas Workers Local 5-6 should be granted.

The Commission also finds that the procedural schedule proposed by Staff is reasonable and should be adopted, with the exception of the April 16 deadline applicable to Laclede and the April 27 deadline applicable to Staff, OPC and intervenors. Laclede has already complied with the April 16 deadline, which was established in the Commission's March 17 order, and the April 27 deadline preceded the Commission's ruling on the applications to intervene. The Commission will schedule the evidentiary hearing to begin at 9:00 a.m. instead of 10:00 a.m. The Commission will also establish a deadline for parties to propose dates, locations and times for local public hearings. The Commission has determined that the following conditions should be applied to the procedural schedule:

(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) Testimony and schedules shall not be filed under seal and treated as proprietary or highly confidential unless a protective order has first been established by the Commission. The party that considers information to be proprietary or highly confidential should request a protective order. Any testimony or schedule filed without a protective order first being established shall be considered public information.

(C) The Commission will schedule a prehearing conference in this case to allow the parties the opportunity to resolve procedural and substantive issues.

(D) The parties shall file a hearing memorandum setting out the issues to be heard and the witnesses to appear on each day of the hearing, definitions of essential terms, each party's position on the disputed issues, and the order of cross-examination. The hearing memorandum will set forth the issues that are to be heard and decided by the Commission. Any issue not contained in the hearing memorandum will be viewed as uncontested and not requiring resolution by the Commission. Staff will be responsible for preparing and filing the hearing memorandum.

(E) The Commission emphasizes the importance of the deadline for filing the hearing memorandum. Commission Staff will be responsible for preparing and filing the hearing memorandum, and, unless the Commission orders otherwise, the hearing memorandum shall be filed on or before the date set. Each party is required to provide Staff with its position on each unresolved issue at least two business days prior to the filing deadline for the hearing memorandum. Each party shall either present its signature element (a signed page) or shall be available to sign the final draft at the offices of the General Counsel prior to the filing deadline. A hearing memorandum which is not signed is considered noncompliant as to the party whose signature is missing and any party who fails or refuses to sign the final copy of the hearing memorandum is hereby ordered to file its own hearing memorandum, which follows the same numbering and topic outline, by the hearing memorandum filing date.

(F) The Commission's general policy provides for the filing of the transcript within two weeks after the hearing. If any party seeks to expedite the filing of the transcript, such request shall be tendered in

writing to the regulatory law judge at least five days prior to the date of the hearing.

(G) It is appropriate to limit the length of initial briefs to 150 pages and reply briefs to 100 pages. All pleadings, briefs and amendments shall be filed in accordance with 4 CSR 240-2.080. The briefs to be submitted by the parties shall follow the same format established in the hearing memorandum. Initial briefs must set forth and cite the proper portions of the record concerning the remaining unresolved issues that are to be decided by the Commission.

(H) All parties are required to bring an adequate number of copies of exhibits which 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 each opposing counsel.

IT IS THEREFORE ORDERED:

1. That the applications to intervene filed by the following parties are granted:

Union Electric Company d/b/a AmerenUE

St. Louis Gas Users (Adam's Mark, Anheuser-Busch Companies Inc., Barnes-Jewish Hospital, Chrysler Corporation, Emerson Electric Company, The Boeing Company, MEMC Electronic Materials, Solutia, Inc., Nooter Corporation, and Ralston Purina Company)

O.C.A.W., AFL-CIO through Gas Workers Local 5-6

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

**Staff, Public Counsel and
Intervenor Test Year
Recommendations**

- May 12, 1998

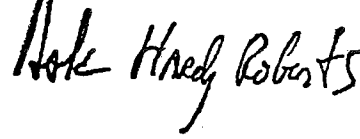
Staff, Public Counsel and Intervenor Direct Testimony on Nonrate-Design Issues	-	August 14, 1998 3:00 p.m.
Staff, Public Counsel and Intervenor Direct Testimony On Rate-Design Issues	-	August 21, 1998 3:00 p.m.
Prehearing - Revenue Requirement Issues	-	August 24-28, 1998 10:00 a.m.
Prehearing - Rate Design Issues	-	August 31-Sept. 1, 1998 10:00 a.m.
Rebuttal Testimony, All Parties	-	September 21, 1998 3:00 p.m.
Surrebuttal Testimony, All Parties	-	October 8, 1998 3:00 p.m.
Hearing Memorandum and Case Reconciliation	-	October 13, 1998
Hearing - Revenue Requirement Issues	-	October 19-23, 1998 9:00 a.m.
Hearing - Rate Design Issues	-	October 26-28, 1998 9:00 a.m.

3. The prehearing conference and hearing will be held on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri. Any person with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

4. That the parties shall propose dates, times and locations for local public hearings no later than June 4, 1998.

5. That this order shall become effective on May 5, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Amy E. Randles, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1),
(November 30, 1995) and Section 386.240,
RSMo 1994.

Dated at Jefferson City, Missouri,
on this 5th day of May, 1998.

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION