

LACLEDE GAS COMPANY  
720 OLIVE STREET  
ST. LOUIS, MISSOURI 63101

GERALD T. MCNEIVE, JR.  
SENIOR VICE PRESIDENT - FINANCE  
AND CHIEF FINANCIAL OFFICER

FILED

FEB 27 1998

MISSOURI  
PUBLIC SERVICE COMMISSION

February 27, 1998

RECEIVED  
FEB 27 1998

Records  
Public Service Commission

HAND DELIVERED

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Judge  
Missouri Public Service Commission  
Harry S Truman Building  
301 W. High Street, 5th Floor  
Jefferson City, Missouri 65101

GR-98-374

Dear Mr. Roberts:

Transmitted herewith for filing with the Missouri Public Service Commission are the original and fourteen (14) copies of revised tariff sheets which set forth revised rate schedules and certain revised rules and regulations for all of the operating divisions of Laclede Gas Company ("Company"). There is attached hereto and incorporated herein by reference Exhibit No. 1, which Exhibit contains a listing and designation of: (1) the revised tariff sheets; and (2) the tariff sheets which are presently on file with the Commission that are to be cancelled.

The charges contained in the revised tariff sheets are designed to produce an increase of approximately \$25.4 million, or 5.2% annually in the revenue of the Company, exclusive of associated taxes. The proposed rate increase is necessary to offset generally higher operating costs and the added costs of operating, maintaining and financing the investment in new facilities installed over the past two years.

The proposed revenue increase has been allocated uniformly to each presently effective rate schedule based on the amount of non-gas revenues derived from such schedules. As such, the increase, expressed as a percentage of total revenues, including gas revenues, will vary by rate schedule. The effect of the proposed rates on the Company's residential customers would be to raise the bill of a typical customer who uses gas for heating by an average of \$3.39 per month.

Within the rate schedules, the allocated increase is recovered partially through increases in customer charges. For the General Service and Seasonal Air Conditioning rates,

500709

the customer charge for Residential customers and Commercial and Industrial customers is proposed to be increased to \$13.00 and \$14.30 per month, respectively. The Company proposes to increase the customer charge for the Large Volume and Interruptible rates to \$535 and \$500, respectively. The customer charge for the Large Volume Transportation and Sales rate is proposed to be increased to \$890. The remainder of the Company's proposed rate increase will be recovered through increased per therm charges, which will vary by rate schedule, as well as through increases in demand or reservation charges, where applicable. Additional information regarding the proposed general rate increase and other proposed changes is contained in Exhibit No. 2 provided herewith pursuant to 4 CSR 240-10.070(3)(B) and 4 CSR 240-40.010(5).

The Company also proposes to alter the design of its existing General Service rate schedule as a first step towards implementation of a more cost responsive rate structure, i.e. one that makes recovery of fixed costs (which do not vary by usage) less dependent on the amount of gas actually used by the Company's customers. Such would be accomplished by changing the types of rate blocks which are used to bill customers for the amount of gas they consume and by splitting the existing, single General Service rate schedule into two separate rate schedules: one for residential customers and one for commercial and industrial customers. In so doing, the proposed rate structure would reduce variations in the Company's earnings which arise simply because actual usage differs from the amount assumed in developing rates. Such an approach would also moderate the financial impact of abnormal weather conditions on both the Company and its customers -- a result that is entirely consistent with the Commission's recent efforts to promote greater stability in what customers pay for gas service. Finally, the Company believes that these rate structure changes represent an essential first step towards the development of appropriate pricing policies in the event that the Company is eventually required to unbundle its services to a greater degree than it already has.

The Company understands, as should all other interested parties, that the Commission's review of the aforementioned rate design could result in a substantial change, from the manner proposed in this filing, in the way in which the Company's proposed rate increase may be allocated among and within the Company's various rate classes.

Pursuant to the Commission's Report and Order in the Company's last general rate proceeding, Case No. GR-96-193, the Company is also subject to accounting authority orders that permitted the Company to defer certain costs for consideration in this proceeding. The Company will present evidence in this proceeding with respect to the recovery of such costs, the appropriate treatment thereof by the

Commission, and the need for a continuation or expansion of such accounting authorization.

The revised tariff sheets filed herewith contain an issue date of February 27, 1998 with a proposed effective date of March 30, 1998. Pursuant to 4 CSR 240-10.070(3), Laclede will, under separate cover, serve two (2) copies of this filing on the Office of the Public Counsel.

Very truly yours,



Gerald T. McNeive, Jr.  
Senior Vice President-Finance  
and Chief Financial Officer

GTM:jaa

Enclosures

cc: Office of the Public Counsel (2)

**LACLEDE GAS COMPANY**

**Listing and Designation of Revised Tariff Sheets  
Issued February 27, 1998**

**Applicable To All Divisions Of Laclede Gas Company**

P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No.	1-a
Cancelling P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No.	1-a
P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No.	2
Cancelling P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	2
P.S.C. MO. No. 5 Consolidated, Eighth Revised Sheet No.	3
Cancelling P.S.C. MO. No. 5 Consolidated, Seventh Revised Sheet No.	3
P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	4
Cancelling P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	4
P.S.C. MO. No. 5 Consolidated, Original Sheet No.	4-a
Cancelling All Previous Schedules	
P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	5
Cancelling P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	5
P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	7
Cancelling P.S.C. MO. No. 5 Consolidated, Ninth Revised Sheet No.	7
P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No.	8
Cancelling P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	8
P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	9
Cancelling P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	9
P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No.	11
Cancelling P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No.	11
P.S.C. MO. No. 5 Consolidated, First Revised Sheet No.	28-a
Cancelling P.S.C. MO. No. 5 Consolidated, Original Sheet No.	28-a
P.S.C. MO. No. 5 Consolidated, Sixth Revised Sheet No.	34
Cancelling P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No.	34
P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No.	35
Cancelling P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No.	35
P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No.	R-5-a
Cancelling P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No.	R-5-a
P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No.	R-5-c
Cancelling P.S.C. MO. No. 5 Consolidated, First Revised Sheet No.	R-5-c

P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No. 1-a

CANCELLING P.S.C. MO. No. 5 Consolidated, Second Revised Sheet No. 1-a

Laclede Gas Company

Name of Issuing Corporation or Municipality

For ..... Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

TABLE OF CONTENTS

	Beginning Sheet Number
Residential General Service (RG) . . . . .	2
Commercial and Industrial General Service (CG) . . . . .	3
Residential Seasonal Air Conditioning Service (RA) . . . . .	4
Commercial & Industrial Seasonal Air Conditioning Service (CA) . . . . .	4-a
Large Volume Service (LV) . . . . .	5
Interruptible Service (IN) . . . . .	7
General L.P. Gas Service (LP) . . . . .	8
Unmetered Gas Light Service (SL) . . . . .	9
Vehicular Fuel Rate (VF) . . . . .	11
Billing of License, Occupation, or Other Similar Charges or Taxes . . . . .	14
Purchased Gas Adjustment Clause . . . . .	15
Reconnection Charges, Meter Reading Non-Access Charge . . . . .	30
Collection Trip Charge, Returned Check Charge, Service and Meter Relocation Charges . . . . .	31
Meter Test Charges . . . . .	31-a
Large Volume Transportation and Sales Service . . . . .	32

DATE OF ISSUE February 27, 1998  
month day year

DATE EFFECTIVE March 30, 1998  
month day year

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer title address

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. 1

For

Community, Town or City

## SCHEDULE OF RATES

RESIDENTIAL GENERAL SERVICE (RG)

Availability - This rate schedule is available for all gas service rendered by the Company, including space heating service, to residential customers.

Rate - The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge - per month

\$13.00

Summer -

Winter -

Billing

Billing

Months of

Months of

May-Oct.Nov.-Apr.

Charge For Gas Used - per therm

For the first 100 therms used per month

45.416¢

48.446¢

For all therms used in excess of 100 therms

33.489¢

33.489¢

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998DATE EFFECTIVE March 30, 1998ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. 1

For

Community, Town or City

## SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL GENERAL SERVICE (CG)

Availability - This rate schedule is available for all gas service rendered by the Company, including space heating service, to commercial and industrial customers.

Rate - The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge - per month

\$14.30

Charge For Gas Used - per therm

For the first 100 therms used per month

45.416¢

48.446¢

For the next 2,400 therms used per month

44.152¢

44.152¢

For all therms used in excess of 2,500 therms

36.489¢

36.489¢

Summer -  
Billing  
Months of  
May-Oct.

Winter -  
Billing  
Months of  
Nov.-Apr.

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998

DATE EFFECTIVE March 30, 1998

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

RESIDENTIAL SEASONAL AIR CONDITIONING SERVICE (RA)

**Availability** - This rate schedule is available for all gas service to residential air conditioning customers during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by the customer for the balance of the year shall be billed under the Residential General Service rate.

**Rate** - The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge - per month \$13.00

Charge For Gas Used - per therm

For the first 100 therms used per month 40.497¢

For all therms used in excess of 100 therms 28.570¢

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 23.570¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998  
month day year

DATE EFFECTIVE March 30, 1998  
month day year

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer address



## CANCELLING All Previous Schedules

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

COMMERCIAL & INDUSTRIAL SEASONAL AIR CONDITIONING SERVICE (CA)

Availability - This rate schedule is available for all gas service to commercial and industrial air conditioning customers during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by the customer for the balance of the year shall be billed under the Commercial and Industrial General Service rate.

Rate - The monthly charge shall consist of a customer charge plus a charge for gas used as set forth below:

Customer Charge - per month \$14.30

Charge For Gas Used - per therm

For the first 100 therms used per month 40.497¢

For the next 2,400 therms used per month 39.233¢

For all therms used in excess of 2,500 therms 31.570¢

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 23.570¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998

DATE EFFECTIVE March 30, 1998

ISSUED BY R.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

Laclede Gas Company

Name of Issuing Corporation or Municipality

For Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

LARGE VOLUME SERVICE (LV)

Availability - Service under this rate schedule is available for qualifying firm gas uses including cogeneration and for boiler plant use where gas is the exclusive boiler plant fuel. Service under this rate schedule is available to customers contracting for separately metered gas service for a minimum term of one year with a billing demand equal to, or greater than, 250 therms and an annual usage equal to, or greater than 60,000 therms.

Rate - The monthly charge shall consist of a customer charge, a demand charge, and a commodity charge as set forth below:

Customer Charge - per month	\$535
Demand Charge - per billing demand therm	53¢
Commodity Charge - per therm	
For the first 36,000 therms used per month	30.928¢
For all therms used in excess of 36,000 therms	30.245¢

Minimum Monthly Charge - The Customer Charge plus the Demand Charge.

Terms of Payment - Customer's monthly bills will be computed at both the net and gross rates. Gross rates will be two percent (2%) higher than net rates. The net bill is payable on or prior to due date stated thereon. After this date, the gross bill is payable.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

DATE OF ISSUE February 27, 1998

DATE EFFECTIVE March 30, 1998

ISSUED BY

K.J. Neises, Senior Vice President,  
name of officer720 Olive Street, St. Louis, MO 63101  
address

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

INTERRUPTIBLE SERVICE (IN)

Under certain conditions, and from time to time, the Company has excess gas to sell. When the Company has such gas available for resale, it will make short-term contracts for the sale thereof.

Availability - This rate schedule is available to customers contracting for separately metered interruptible gas service for a minimum term of one year with a demand equal to, or greater than, 10,000 cubic feet per hour.

Net Rate - The monthly charge shall consist of a customer charge and a commodity charge as set forth below:

Customer Charge - per month	\$500
Commodity Charge	
First 100,000 therms - per month - per therm	30.689¢
Over 100,000 therms - per month - per therm	29.058¢

Charge For Gas Used During Interruption

All gas used during any period of interruption - per therm	58.473¢
---	---------

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 23.570¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998

DATE EFFECTIVE March 30, 1998

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

GENERAL L.P. GAS SERVICE (LP)

Availability - This rate schedule is available for L.P. gas service to those customers located in subdivisions in the Company's certificated area where natural gas is not available, where the subdivision developer is willing to construct the subdivision so as to make it fully adapted to such service and the later conversion to natural gas and where a central L.P. gas system is determined by the Company to be feasible.

<u>Rate</u> - Customer Charge - per month	\$11.00
For all gallons used per month - per gallon	56.873¢

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment

(A) The above charges shall be subject to an adjustment per gallon, which shall be referred to as the L.P. Current Purchased Gas Adjustment ("L.P. CPGA"), equivalent to the amount by which the price paid by the Company for L.P. Gas is above or below a basic price of 43.21¢ per gallon. Each month the Company will compare its current average unit cost for the purchase of L.P. gas to the average unit L.P. gas cost underlying the existing L.P. CPGA. If such difference is greater than or equal to 1.0¢ per gallon, the Company will file a new L.P. CPGA with the Commission, along with supporting materials, based on said current average unit L.P. gas cost. Upon approval by the Commission, such new L.P. CPGA factor will become fully effective on the date stated on Sheet No. 29.

(B) Whenever the actual prices paid by the Company for L.P. Gas differ from the price upon which its then effective adjustment is predicated, the amount of increased or decreased L.P. Gas cost resulting from such difference in price shall be debited or credited to a Deferred Purchased L.P. Gas Cost account. The cumulative balance of such deferred account entries for the same periods set out in Paragraphs C. 3 and C. 4 of the Company's PGA Clause shall be divided by the estimated amount of L.P. Gas gallons to be sold during the succeeding 12 billing months beginning with November and the resulting deferred cost per gallon shall be applied as a Deferred L.P. Gas Adjustment for said succeeding 12 billing months and shall increase or decrease the adjustments determined pursuant to Paragraph A hereof. All increases or decreases in charges resulting from the deferred adjustment shall be appropriately recorded in the Deferred L.P. Gas Cost account.

DATE OF ISSUE February 27, 1998  
month day year

DATE EFFECTIVE March 30, 1998  
month day year

ISSUED BY R.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer title address

Laclede Gas Company  
Name of Issuing Corporation or MunicipalityFor ..... Refer to Sheet No. 1  
Community, Town or City

## SCHEDULE OF RATES

UNMETERED GAS LIGHT SERVICE (SL)

Availability - This rate schedule is available, subject to the special provisions included herein, to customers who contract for service thereunder for a minimum term of one year for unmetered gas to be used solely for the continuous operation of gas lights.

Rate

Customer Charge \$3.75 per month

For lights equipped with mantle units with an hourly input rating of 3 cubic feet or less per mantle unit:

Each initial mantle unit per light \$8.96 per month  
Each additional mantle unit per light \$7.39 per month

For open flame lights or lights equipped with mantle units with an hourly input rating in excess of 3 cubic feet per mantle unit:

First 3 cubic feet of hourly input rating per light \$8.96 per month  
Each additional 3 cubic feet of hourly input rating or fraction thereof per light \$7.39 per month

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29; and such adjustment per therm shall be applied on the basis of an average consumption of 19.7 therms per month per mantle unit. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998  
month day yearDATE EFFECTIVE March 30, 1998  
month day yearISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer address

Laclede Gas Company  
Name of Issuing Corporation or MunicipalityRefer to Sheet No. 1  
Community, Town or City

## SCHEDULE OF RATES

VEHICULAR FUEL RATE (VF)Availability

This rate schedule shall apply to the sale of separately metered natural gas to customers for the sole purpose of compression by the customer or a party engaged by the customer for use as a vehicular fuel, whether such fuel is used directly by the customer or is resold to other end-user(s) as compressed natural gas ("CNG") for vehicular use.

Service for any end-use of gas other than the compression of natural gas for vehicular use, such as space heating, water heating, processing or boiler fuel use, is not permitted under this schedule. Service which is provided for other end-uses through a separate meter at the same location will be billed by the Company under the applicable rate schedule.

Nothing herein precludes a customer from satisfying its CNG requirements through another sales or transportation rate schedule, where applicable.

Service provided by the Company under this rate schedule does not include the provision of compression services or facilities for CNG purposes.

Rate

Customer Charge - per month	\$14.30
Charge For Gas Used - For all therms used per month per therm	32.141¢

Minimum Monthly Charge - The customer charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE February 27, 1998  
month day yearDATE EFFECTIVE March 30, 1998  
month day yearISSUED BY R. J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer title address

Laclede Gas Company  
Name of Issuing Corporation or MunicipalityFor ..... Refer to Sheet No. 1  
Community, Town or City

## SCHEDULE OF RATES

D. Gas Supply Incentive Plan (Continued)

For purposes of allocation to the Deferred Purchased Gas Cost Accounts, 50% of the foregoing net revenues shall be deemed to be gas supply related and allocable to firm sales customers only and 50% shall be deemed to be transportation capacity related and allocable to both firm sales customers and firm transportation customers, consistent with the allocation of capacity reservation charges set forth in Section A.2.b., unless the net revenues from OF-Sales do not include the provision of transportation service, in which case 100% of such net revenues shall be allocable to firm sales customers.

Limitation On Sales

The Company's OF-Sales shall be made on an as-available basis. The term of each sale shall not exceed one month.

The Company shall make no individual OF-Sales where a negative margin results.

2. The debits and credits to the IA Account shall be allocated to the applicable customer classifications, based on the volumes sold and/or transported during the ACA period. Debits from item 1.b. shall be allocated to the Company's firm sales and firm transportation customers consistent with the allocation of capacity reservation charges set forth in Section A.2.b. The debit or credits from item 1.c. shall be allocated to the Company's on-system firm sales only.

3. For each ACA year, the debits and credits recorded in the IA Account including any balance from the previous year shall be accumulated to produce a cumulative balance of incentive adjustments. For purposes of computing new ACA factors for the subsequent twelve-month period beginning with the effective date of the Winter PGA, such cumulative incentive adjustment balances shall be combined with the appropriate Deferred Purchased Gas Costs Account balances. The Company shall separately record that portion of ACA revenue recovery which is attributable to recovery of the IA Account balances. Any remaining balance shall be reflected in the subsequent ACA computations.

DATE OF ISSUE February 27, 1998  
month day yearDATE EFFECTIVE March 30, 1998  
month day yearISSUED BY R. J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer title address



Laclede Gas Company

Name of Issuing Corporation or Municipality

For Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

## B. CHARACTER OF SERVICE (Continued)

5. Authorized Overrun Provision - When requested by the Customer, and authorized by the Company in its sole discretion, the Customer's DSQ on any day may be increased to a level not to exceed 110% of the currently effective billing demand, without causing an increase in such billing demand.
6. Effective at the beginning of any day, as such term is defined in Paragraph 1.1 of Section D hereof, and with the same notice requirements as in B.1. above, any Customer may be ordered to limit its DSQ to 110% of the deliveries made to such Customer. When such limitation order is in effect, the Company will purchase from such Customer any excess receipts at 70% of the lesser of the first of the month index or the daily index published in the Gas Daily for MRT west Leg deliveries.

## C. RATES

The monthly charge per each separately metered location shall consist of the charges set forth below:

Customer Charge - per month .....	\$890
Reservation Charge - per billing demand therm .....	51¢
Transportation Charge - per therm transported *	
For the first 36,000 therms transported per month.....	1.930¢
For all therms transported in excess of 36,000 therms.....	1.255¢
Commodity Charge - per therm sold *	
For the first 36,000 therms sold per month.....	30.419¢
For all therms sold in excess of 36,000 therms.....	29.744¢
Storage Charge - per therm for any full or partial month.....	2.00¢
Authorized Overrun Charge - per therm transported.....	4.152¢

DATE OF ISSUE February 27, 1998

DATE EFFECTIVE March 30, 1998

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101



Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

## SCHEDULE OF RATES

C. RATES (Continued)

Determination of Billing Demand - The billing demand for each month shall be the greater of a) the Customer's contracted for billing demand for each separately metered service or b) the maximum amount of gas (in therms) transported and/or purchased for each separately metered service during any consecutive period of 24 hours during the months of November through March when the Company has restricted Basic Service deliveries to the DSQ. Notwithstanding the foregoing provisions, the billing demand for any month shall not be less than the highest billing demand for any of the last preceding 11 months.

Purchased Gas Adjustment (PGA) - The charge for all therms sold to the Customer shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas applicable to LVTSS, equal to the CPGA made effective in accordance with paragraph A.5, plus the ACA, UFA and refund factors set out on Sheet No. 29. The commodity charge per therm sold as specified in this rate schedule is based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Unauthorized Use Charge - On any day, the Company may order a Customer contracting for Basic Service to limit its use to the DSQ. When such limitation order is in effect, the Customer will be charged an unauthorized use charge of \$2.00 per therm for all gas used in excess of the DSQ. This unauthorized use charge is in addition to the other applicable charges set forth herein, and is subject to the service discontinuance rights of the Company set forth under Section B(1) hereof.

D. TERMS AND CONDITIONS

1. DEFINITIONS - The following terms when used in this tariff, in the Contract and in transactions relating to such tariff or contract shall have the following meanings:

1.1 A "day" shall be a period of twenty-four (24) consecutive hours commencing at nine o'clock (9:00) a.m. Central Clock Time ("CT").

1.2 A "month" shall be a period of one calendar month commencing at nine o'clock (9:00) a.m. CT on the first day of such month.

1.3 A "year" shall be a period of three hundred sixty-five (365) consecutive days commencing and ending at nine o'clock (9:00) a.m. CT, provided that any such year which contains the date of February 29 shall consist of three hundred sixty-six (366) consecutive days.

DATE OF ISSUE February 27, 1998  
month day yearDATE EFFECTIVE March 30, 1998  
month day yearISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
Name of officer Title Address

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. R-1

Community, Town or City

## RULES AND REGULATIONS

5. Deposits (Continued)Residential

(C) The customer is unable to establish an acceptable credit rating under these standards:

1. Owns or is purchasing a home; and
2. Is and has been regularly employed on a full-time basis for at least one (1) year; or
3. Has an adequate regular source of income; or
4. Can provide adequate credit references from a commercial credit source.

(D) The customer fails to provide proof of identity upon request. Proof of identity is to include official picture identification or other verifiable documentation of identity, and correct social security number.

(2) The Company may require a deposit or guarantee as a condition of continued residential service if--

(A) The service of the customer has been discontinued by the Company for nonpayment of a delinquent account not in dispute;

(B) In an unauthorized manner, the customer interfered with or diverted the service of the Company situated on or about or delivered to the customer's premises; or

(C) The customer has failed to pay an undisputed bill on or before the delinquent date for five (5) billing periods out of twelve (12) consecutive monthly billing periods. Prior to requiring a customer to post a deposit under this subsection, the utility shall send the customer a written notice explaining the utility's right to require a deposit or include such explanation with each written discontinuance notice.

(3) Deposits for gas service assessed under the provisions of subsection (2)(A) or (C) of this rule during the months of November, December and January may be paid, if the customer is unable to pay the entire deposit, by installments over a six (6)-month period.

DATE OF ISSUE February 27, 1998  
month day yearDATE EFFECTIVE March 30, 1998  
month day yearISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101  
name of officer address

Laclede Gas Company

Name of Issuing Corporation or Municipality

Refer to Sheet No. R-1

Community, Town or City

**RULES AND REGULATIONS**

**5. Deposits (Continued)**

**Residential**

existence or nonexistence of a deposit on the customer's bill, in which event the receipt shall not be required unless requested by the customer. The receipt shall contain the following minimum information:

1. Name of customer;
2. Date of payment;
3. Amount of payment;
4. Identifiable name, signature and title of the Company employee receiving payment; and
5. Statement of the terms and conditions governing the payment, retention and return of deposits;

(F) The Company shall provide means where a person entitled to a return of a deposit is not deprived of the deposit refund even though s/he may be unable to produce the original receipt for the deposit; provided, s/he can produce adequate identification to ensure that s/he is the customer entitled to refund of the deposit;

(G) No deposit or guarantee or additional deposit or guarantee shall be required by the Company because of race, sex, creed, national origin, marital status, age, number of dependents, source of income, disability or geographical area of residence; and

(H) A customer required to make a deposit under subsection (2) (A) or (C) of this rule may pay the deposit in installments unless the Company can show a likelihood that the customer does not intend to pay for the service.

(5) In lieu of a deposit, the Company may accept a written guarantee. The limit of the guarantee shall not exceed the amount of a cash deposit.

(6) A guarantor shall be released upon satisfactory payment of all undisputed utility charges during the last twelve (12) billing months. Payment of a charge is satisfactory if received prior to the date upon which the charge becomes delinquent provided it is not in dispute. Payment of a disputed bill shall be satisfactory if made within ten (10) days of resolution or withdrawal of the dispute.

DATE OF ISSUE February 27, 1998

DATE EFFECTIVE March 30, 1998

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101

STATEMENT OF AGGREGATE ANNUAL INCREASE

The aggregate annual increase requested by this rate filing is \$25.4 million, or 5.2%. This is the amount of the increase requested for rates only, and does not include the amount of Gross Receipts Taxes which will be applied thereto.

COMMUNITIES AFFECTED BY FILING

City of St. Louis  
Annapolis  
Arnold  
Ballwin  
Bella Villa  
Bellefontaine Neighbors  
Bellerive  
Bel-Nor  
Bel-Ridge  
Berkeley  
Beverly Hills  
Black Jack  
Bonne Terre  
Breckenridge Hills  
Brentwood  
Bridgeton  
Bridgeton Terrace  
Calverton Park  
Champ  
Charlack  
Chesterfield  
Clarkson Valley  
Clayton  
Cool Valley  
Cottleville  
Country Club Hills  
Country Life Acres  
Crestwood  
Creve Coeur  
Crystal City  
Crystal Lake Park  
Dardenne Prairie  
Dellwood  
Desloge  
DeSoto  
Des Peres  
Edmundson  
Ellisville  
Eureka

Farmington  
Fenton  
Ferguson  
Festus  
Flordell Hills  
Florissant  
Fredericktown  
Frontenac  
Glendale  
Glen Echo Park  
Grantwood Village  
Greendale  
Green Park  
Hanley Hills  
Hazelwood  
Herculaneum  
Hillsboro  
Hillsdale  
Huntleigh  
Jennings  
Kinloch  
Kirkwood  
Ladue  
Lake St. Louis  
Lakeshire  
Leadington  
Leadwood  
Mackenzie  
Manchester  
Maplewood  
Marlborough  
Maryland Heights  
Moline Acres  
Normandy  
Northwoods  
Norwood Court  
Oakland  
O'Fallon  
Olivette

LGC Exhibit No. 2  
GENERAL INFORMATION  
AND PRESS RELEASE  
Schedule 2, Page 2 of 2

COMMUNITIES AFFECTED BY FILING (continued)

Overland  
Pacific  
Pagedale  
Park Hills  
Parkway  
Pasadena Hills  
Pasadena Park  
Pevely  
Pilot Knob  
Pine Lawn  
Poplar Bluff  
Richmond Heights  
Riverview  
Rock Hill  
St. Ann  
St. Charles  
St. Clair  
Ste. Genevieve  
St. George  
St. John  
St. Peters  
Shrewsbury  
Sunset Hills

Sycamore Hills  
Town & Country  
Twin Oaks  
Union  
University City  
Uplands Park  
Valley Park  
Velda City  
Velda Village Hills  
Vinita Park  
Vinita Terrace  
Warson Woods  
Washington  
Webster Groves  
Weldon Spring  
Weldon Spring Heights  
Wellston  
Wentzville  
Westwood  
Wilbur Park  
Wildwood  
Winchester  
Woodson Terrace

COUNTIES AFFECTED BY FILING

Butler County  
Franklin County  
Iron County  
Jefferson County  
Madison County  
St. Charles County  
St. Francois County  
Ste. Genevieve County  
St. Louis County

**LACLEDE GAS COMPANY**  
**Number of Customers Affected by General**  
**Category of Service and Rate Classification**  
**January, 1998**

**Residential**

General	588,028
Seasonal Air Conditioning	455
General L.P. Gas	274
Total Residential	<u>588,757</u>

**Commercial**

General	37,417
Seasonal Air Conditioning	46
General L.P. Gas	1
Unmetered Gas Light	121
Vehicular Fuel	5
Large Volume	67
Interruptible	7
Large Volume Transportation and Sales Service	48
Total Commercial	<u>37,712</u>

**Industrial**

General	1,881
Large Volume	74
Interruptible	7
Large Volume Transportation and Sales Service	98
Total Industrial	<u>2,060</u>

**Total**

628,529

**LACLEDE GAS COMPANY**  
**Average Annual Change Requested in Dollars**  
**and Percentage Change from Current Rates**

	<b>Average Annual Change</b>	<b>Percentage Change</b>
<b><u>Residential</u></b>		
General	\$33	5.5%
Seasonal Air Conditioning	37 *	5.8%
General L.P. Gas	27	4.7%
Average Residential	\$33	5.5%
<b><u>Commercial</u></b>		
General	\$126	5.1%
Seasonal Air Conditioning	51 *	0.2%
General L.P. Gas	33	4.4%
Unmetered Gas Light	27	4.6%
Vehicular Fuel	117	1.3%
Large Volume	3,019	2.6%
Interruptible	3,766	2.8%
Large Volume Transportation and Sales Service	6,930	9.2%
Average Commercial	\$141	5.0%
<b><u>Industrial</u></b>		
General	\$107	1.3%
Large Volume	2,653	2.5%
Interruptible	2,968	3.0%
Large Volume Transportation and Sales Service	9,552	6.1%
Average Industrial	\$654	3.4%

\* Average change represents an annualized impact. Seasonal Air Conditioning customers are served under this rate schedule during the summer months only. During the winter months, such customers are served under the General Service rate schedule.

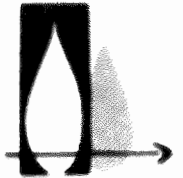


**LACLEDE GAS COMPANY**  
**Proposed Annual Aggregate Change and**  
**Percentage Change in Revenues from Current Rates**

	<b>Annual Aggregate Change</b>	<b>Percentage Change</b>
<b><u>Residential</u></b>		
General	\$18,915,336	5.5%
Seasonal Air Conditioning	8,308	5.8%
General L.P. Gas	7,301	4.7%
Total Residential	<u>\$18,930,945</u>	5.5%
<b><u>Commercial</u></b>		
General	\$4,575,757	5.1%
Seasonal Air Conditioning	1,169	0.2%
General L.P. Gas	166	4.4%
Unmetered Gas Light	3,095	4.6%
Vehicular Fuel	537	1.3%
Large Volume	207,825	2.6%
Interruptible	30,126	2.8%
Large Volume Transportation and Sales Service	310,715	9.2%
Total Commercial	<u>\$5,129,390</u>	5.0%
<b><u>Industrial</u></b>		
General	\$199,188	1.3%
Large Volume	194,559	2.5%
Interruptible	21,518	3.0%
Large Volume Transportation and Sales Service	920,948	6.1%
Total Industrial	<u>\$1,336,213</u>	3.4%
<b>Total</b>	<u><u>\$25,396,548</u></u>	5.2%

# NEWS RELEASE LACLEDE GAS

LGC Exhibit No. 2  
GENERAL INFORMATION  
AND PRESS RELEASE  
Schedule 6, Page 1 of 1



**Contact:** Richard N. Hargraves  
(314) 342-0652

February 27, 1998

## LACLEDE GAS FILES WITH MOPSC FOR A RATE INCREASE OF \$25.4 Million

Authorization Would Raise the Average Monthly Bill of a  
Typical Residential Customer Who Uses Gas for Heating by \$3.39

Laclede Gas Company today filed a request with the Missouri Public Service Commission for an annual rate increase amounting to \$25.4 million. The proposed rates would raise a typical residential heating customer's bill by an average of \$3.39 a month.

The effect of this filing is not anticipated to result in higher general rate levels during the current heating season inasmuch as the Missouri Public Service Commission usually suspends the implementation of general rate increases until the Company's filing has been thoroughly audited and reviewed.

Mr. Richard N. Hargraves, Laclede's Director of Corporate Communications, said that the proposed rate increase is necessary to offset generally higher operating costs and the added costs of operating, maintaining and financing the investment in new facilities installed over the past two years.

Laclede last filed for a general rate increase on December 15, 1995, which resulted in an increase, effective September 1, 1996, of \$9.5 million per year.

REASONS FOR PROPOSED RATE AND TARIFF CHANGES

The Company's proposed rate increase is necessary to offset generally higher operating costs and the added costs of operating, maintaining and financing the investment in new facilities installed over the past two years. Changes to other tariff sheets of the Company and reasons in support of such changes are as follows:

Sheet No.1-a, which contains the table of contents to the Company's rate schedules, was revised to reflect the split of the existing General Service and Seasonal Air Conditioning Service rate schedules into four rate schedules: Residential General Service, Commercial and Industrial General Service, Residential Seasonal Air Conditioning Service and Commercial and Industrial Seasonal Air Conditioning Service. Such sheet was also revised to eliminate the reference to "Amendment to Gas Sale Contracts" which rate schedule was eliminated in a previous rate proceeding.

Sheet Nos. 2 and 3 were revised to reflect the rate design changes to the existing General Service rate schedule. Such would be accomplished by changing the types of rate blocks which are used to bill customers for the amount of gas they consume and by splitting the existing, single General Service rate schedule into two separate rate schedules: one for residential customers and one for commercial and industrial customers.

Sheet Nos. 4 and 4-a were revised to reflect the rate design changes to the existing Seasonal Air Conditioning Service rate schedule which are identical to those described for Sheet Nos. 2 and 3.

Sheet No. 28-a was revised to correct the reference to the effective date of the Company's Actual Cost Adjustment factors. Such correction was inadvertently omitted from the tariff changes submitted by the Company in Case No. GO-97-401.

Sheet No. 34 was revised to authorize the Company to require its transportation customers during certain periods to limit their gas receipts to 110% of the gas delivered by the Company to such customers. Such sheet was also revised to increase the Storage Charge from \$.005 per therm to \$.020 per therm.

Sheet No. 35 was revised to increase the Company's Unauthorized Use Charge from \$1.00 per therm to \$2.00 per therm.

Sheet Nos. R-5-a and R-5-c were revised to provide additional emphasis on existing deposit criteria relating to home ownership and to clarify the circumstances under which deposits may be paid in installments.