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February 15, 2001

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DANA K. JOYCE
General Counsel

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

RE: Case No. GR-2001-387

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.
Deputy General Counsel
(573) 751-5239
(573) 751-9285 (Fax)

TRS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
FEB 15 2001
Missouri Public
Service Commission

In the Matter of Laclede Gas Company's)
Purchased Gas Adjustment Tariff)
Revisions to be Reviewed in its 2000-)
2001 Actual Cost Adjustment.)

Case No. GR-2001-387

STAFF RECOMMENDATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") in the above-captioned matter and for its recommendation states as follows:

1. On February 14, 2001, Laclede Gas Company (Laclede) filed a Motion for Waiver to Make a Second Unscheduled Winter Purchased Gas Adjustment Filing. The Waiver has been requested because of the recent decline in the cost of natural gas. Staff recommends that the Motion for Waiver be granted.

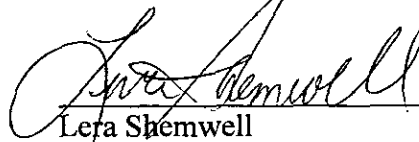
2. Also on February 14, 2001, Laclede filed a tariff sheet, proposed to become effective March 1, 2001, that reflects reductions in the cost of natural gas. This filing should reduce customer charges for the cost of natural gas for the remaining month of the winter season.

3. Staff has reviewed the proposed tariff filing, and recommends that it be approved effective March 1, 2001. The recommendation of the Gas Department – Tariffs/Rate Design Staff is attached hereto (please see Attachment A). Staff notes that good cause has been shown pursuant to §393.140 (11) RSMo (2000) to permit the tariff to become effective on less than thirty days notice. Staff also recommends that the rates be interim, subject to refund.

WHEREFORE, the Staff recommends that the Commission grant the Motion for Waiver to Make a Second Unscheduled Winter Purchased Gas Adjustment Filing requested by Laclede and approve the proposed tariff sheet to become effective March 1, 2001.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Lera Shemwell
Associate General Counsel
Missouri Bar No. 43792

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 15th day of February 2001.



M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2001-387, File No. 200100831, Laclede Gas Company

FROM: Henry Warren, Gas Department - Tariffs/Rate Design
WTH for WBS Henderson 2/15/01 *John J. Hemmick JR 2-15-01*
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Laclede Gas Company's Second
Unscheduled Winter Season PGA Filing Effective March 1, 2001 and
Motion for Waiver.

DATE: February 15, 2001

On February 14, 2001, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri filed a tariff sheet proposed to become effective March 1, 2001. The tariff sheet was filed to reflect unscheduled changes in Laclede's Purchased Gas Adjustment (PGA) factors as the result of reductions in the current cost of natural gas for the remaining month of the winter season. The winter season includes the months of November through March. The current cost of gas is significantly less than the PGA Laclede filed in its first Unscheduled Winter filing effective January 29, 2001. This filing would eliminate 64% of the increase that went into effect on January 29, 2001.

On February 14, Laclede also filed a MOTION FOR WAIVER TO MAKE AN UNSCHEDULED WINTER PURCHASED GAS ADJUSTMENT FILING (Motion). This Motion for Waiver from the PGA Clause of Laclede's tariff is due to a decline in the market price of gas since its first unscheduled winter filing effective January 29, 2001. In addition, Laclede cites the following reasons for approval of this Motion for Waiver:

1. It will expedite the flow-through to ratepayers of the financial benefits of the Company's Price Stabilization Program.
2. It will compensate for the unexpected drop in wellhead natural gas prices that has occurred since the Company made its first Unscheduled Winter PGA filing on January 12, 2001.

Laclede also requests that the tariff sheet become effective in compliance with the filing procedures set forth in Laclede's PGA tariff. These filing procedures allow for filings to be effective in 10 or more business days instead of the usual 30 days notice requirement.

The net effect of these changes will decrease the firm PGA factor for the remaining month of the winter season to \$0.75311 per therm from the first unscheduled winter season firm PGA factor of \$0.91311 per therm. The firm PGA factor would decrease by 18% under this proposal. The effect of the proposed decrease on a typical residential customer's bill for March 2001 is a 14%

decrease when compared to the rates that are currently in effect. A typical residential customer's usage is fixed at 159 therms for March and does not account for the impact of weather variations on usage. Weather variations could lessen or exacerbate the impact of this increase.

Case No. GR-2001-387, under which this change was filed, was established to track the Company's PGA factors to be reviewed in its 2000-2001 ACA filing. Final Commission decisions in Laclede's ACA Case Nos. GR-2000-622, GR-99-316, GR-98-297, GR-97-222 for the 1999-2000, 1998-1999, 1997-1998, and 1996-1997 ACA periods respectively, are still pending. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-97-222, GR-98-297, GR-99-316, GR-2000-622, and GR-2001-387.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed the Motion and agrees that the Motion for Waiver request be granted. Staff has also reviewed the PGA filing and has determined that, with the exception of the Motion for Waiver to file an unscheduled winter PGA, this filing was calculated in conformance with Laclede's PGA Clause. Staff is of the opinion that good cause for approval of this tariff sheet on less than thirty days notice is demonstrated by Laclede's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends the Commission grant the Motion for Waiver by the Company on February 14, 2001, and approve the following tariff sheet to become effective March 1, 2001, interim subject to refund:

P.S.C. MO. No. 5 Consolidated

One Hundred and Eighty-Fourth Revised Sheet No. 29 Canceling
One Hundred and Eighty-Third Revised Sheet No. 29

Copies: Director - Utility Operations Division
 Director - Research and Public Affairs Division
 Director - Utility Services Division
 General Counsel
 Manager - Financial Analysis Department
 Manager - Procurement Analysis Department
 Manager - Gas Department
 Douglas Yaeger, President & CEO (Laclede)
 Mike Cline, Director - Tariff and Rate Administration (Laclede)
 Mike Pendergast, Attorney (Laclede)
 Robert Johnson, Attorney (Peper, Martin, Jensen, Maichel, &
 Hetlage)
 Office of the Public Counsel

WINTER SEASON

Approximate Billing Impact Of 888 Therm per Winter Season

Laclede Gas Company

Residential Heating Customer

	Prior Winter Season (Months)	Therms Usage	Total Fuel Bill (\$)
>	November 2000	97	90.62
>	December 2000	179	155.30
>	January 2001	236	200.26
~	February 2001	217	239.52
~	March 2001	159	179.27
	5 Month Winter Season Total	888.0	\$864.97

	Forecasted Winter Season (Months)	Therms Usage	Total Fuel Bill (\$)
>	November 2000	97	90.62
>	December 2000	179	155.30
>	January 2001	236	200.26
~	February 2001	217	239.52
^	March 2001	159	153.83
	5 Month Winter Season Total	888.0	\$839.53

REMARKS

For a typical residential customer using approximately 159 Therms during March, natural gas rates will decrease by \$25.44 or approximately 14% when comparing the fuel bills for March 2001 before the second unscheduled filing with the fuel bills for March 2001 including the first unscheduled filing.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$12.00; Energy Charge for
- (4) Nov- Apr: First 65 therms = \$.15818/therm; For therms in excess of 65 therms = \$.12562/therm.
- > (5) Tariff Sheet No. 29: PGA Charge = \$0.66311 per therm.
- ~ (6) Tariff Sheet No. 29: PGA Charge = \$0.91311 per therm.
- ^ (7) Tariff Sheet No. 29: PGA Charge = \$0.75311 per therm.

Missouri Public Service Commission

February 2001

Laclede Gas Company

2000-2001 Winter Season Revenue Impact from Filing with an Effective Date of 03/01/2001

Month	PGA Factor	Month	PGA Factor	PGA Change (03/01/2001)	Revenue Impact (Winter Season)
Nov-99	\$0.35909	Nov-00	\$0.66311	\$0.30402	\$20,497,419
Dec	\$0.35909	Dec	\$0.66311	\$0.30402	\$38,432,660
Jan-00	\$0.35909	Jan-01	\$0.66311	\$0.30402	\$51,243,547
Feb	\$0.35909	Feb	\$0.91311	\$0.55402	\$84,043,664
Mar	\$0.35909	Mar	\$0.75311	\$0.39402	\$43,168,668

Annual Firm Sales (Tariff Sheet No. 28-d)

842,766,046 Therm

Winter Season Revenue Change:

\$237,385,957 Increase

- 1) Docket GR-2001-387
- 2) File No. 200100831
- 3) Prepared By: Henry Warren
- 4) Date Prepared: 02/15/01

Month	Estimated Customer Usage Therm/Mnth	Estimated % Therm/Yr	Estimated Company Sales Therm/Mnth
Nov	97	8%	67,421,284
Dec	179	15%	126,414,907
Jan	236	20%	168,553,209
Feb	217	18%	151,697,888
Mar	159	13%	109,559,586
Apr	96	8%	67,421,284
May	53	4%	33,710,642
Jun	36	3%	25,282,981
Jul	28	2%	16,855,321
Aug	27	2%	16,855,321
Sep	30	3%	25,282,981
Oct	42	4%	33,710,642
TOTAL	1200	100%	842,766,046

Service List for
Case No. GR-2001-387
Revised: February 15, 2001 (SW)

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