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March 2, 2001

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Secretary/Chief Regulatory Law Judge

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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,

Lera L. Shemwell
Associate General Counsel
(573) 751-7431
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LLS:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
MAR - 2 2001
Missouri Public
Service Commission

In the Matter of Laclede Gas)
Company's Purchased Gas Adjustment)
Factors 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") and for its recommendation in the above-captioned matter states as follows:

1. Laclede Gas Company (Company) filed a Motion for Waiver to Make an Adjustment to the Company's Budget Billing (Motion for Waiver).
2. Staff has reviewed the tariff filing and the Motion for Waiver and recommends that the Motion be granted. See Staff Memorandum at Attachment A.
3. Staff notes that this is a request for a one-time waiver from Laclede's tariff that permits review and adjustment of the Company's Budget Billing tariff on a semi-annual basis, in January and July.
4. Staff emphasizes that it has not audited the books and records of Laclede, and that it will conduct a thorough review of Laclede's gas purchases during the Actual Cost Adjustment (ACA) audit. These adjustments are interim subject to refund pending open ACA cases.

WHEREFORE, Staff recommends that the requested Motion for Waiver to Make an Adjustment to the Company's Budget Billing be granted.

Respectfully submitted,

DANA K. JOYCE
General Counsel



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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 2nd day of March, 2001.



MEMORANDUM

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

W/W for Wess Henderson / 03/02/01 *Thomas R. Schumacher Jr.* 3/2/01
Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for Laclede Gas Company's Motion for Waiver
to Make an Accelerated Adjustment to the Company's Budget
Billings

DATE: March 2, 2001

Laclede Gas Company (Laclede or Company) filed a MOTION FOR WAIVER TO MAKE AN ADJUSTMENT TO THE COMPANY'S BUDGET BILLINGS (Motion for Waiver) on February 23, 2001. This Motion for Waiver from the Budget Billing Clause of Laclede's tariff (P.S.C. MO. No. 5 Consolidated, Original Sheet No. R-39) is being requested because the Public Service Commission (Commission) approved a second unscheduled PGA filing by the Company effective February 23, 2001. The unscheduled PGA decrease was filed by the Company and approved by the Commission due to a decline in the market price of gas since Laclede's first unscheduled winter PGA filing. Laclede cites the following reasons for approval of this Motion for Waiver:

1. The second unscheduled PGA adjustment was approved because it was a decrease from the first unscheduled PGA effective January 29, 2001, and the Company and Commission wanted the ratepayers to benefit from the price decrease. It also expedited the flow-through to ratepayers of the financial benefits of the Company's Price Stabilization Program.
2. The tariff provisions applicable to Laclede's budget billing process only allow the Company to review and adjust its budget billings twice a year, once in January, effective in February and in July, effective in August.
3. The Company wants its budget-billing customers to receive a similar benefit from the PGA decrease that its other ratepayers will experience.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed the Motion and concurs with the Motion for Waiver request. The Commission has issued an ORDER SETTING PREHEARING CONFERENCE AND REQUIRING FILING OF PROCEDURAL SCHEDULE in GR-2001-387, which will not be effected by the Motion, and Staff knows of no other issues before the Commission

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OFFICIAL CASE FILE MEMORANDUM
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related to this motion. Therefore, Staff recommends the Commission grant the Motion for Waiver that was filed by the Company on February 23, 2001.

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

Service List for
Case No. GR-2001-387
Revised: March 2, 2001 (SW)

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