

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Laclede Gas
Company for an Accounting Authority Order
Authorizing the Company to Defer for Future
Recovery the Costs of Complying with the
Emergency Amendment to the Commission's
Cold Weather Rule

Case No. GU-2007-0137

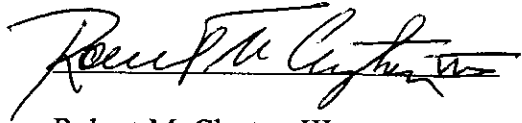
Case No. GU-2007-0138

CONCURRING OPINION OF COMMISSIONERS ROBERT M. CLAYTON III AND STEVE GAW

These Commissioners continue to disagree with the loose accounting method that was adopted in Case No. GX-2006-0434, finalizing the amendment to the Cold Weather Rule (CWR), and modifying the Emergency Cold Weather Rule's (ECWR) cost recovery method. This rule's cost recovery language allows Laclede to potentially recover gross costs (without reduction for additional revenues that may be received as a result of the program) and receive inappropriate returns on alleged costs through hidden charges, rather than netting revenues against costs.

Therefore, we urge Staff to clearly match the revenues and expenses Laclede claims were incurred by compliance with the CWR or ECWR. Staff is the only gate keeper left to make sure that costs are offset with revenues received by Laclede through customers' payments made as a result of payment plans in the CWR provisions. Only to the extent Staff carefully reviews and audits Laclede's AAO documentation can this Commission assure ratepayers that Laclede is not passing through costs to them in excess of those actually incurred by Laclede, preventing the company from pocketing revenues that should be credited to ratepayers. Otherwise, ratepayers risk absorbing additional and improperly billed costs in their gas bills because this accounting method does not ensure the revenues a gas utility receives are evaluated during a rate case.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Robert M. Clayton III", written over a horizontal line.

Robert M. Clayton III
Commissioner

A large, stylized handwritten signature in cursive script, appearing to read "Steve Gaw", written over a horizontal line.

Steve Gaw
Commissioner

Dated at Jefferson City, Missouri,
on this 20th day of December, 2006.