MEMORANDUM

TO: Missouri Public Service Commission Official Case File,

Case No. GR-2005-0203, File No. YG-2005-1072, Laclede Gas Company

FROM: Henry Warren, Energy Department – Tariffs/Rate Design

/s/Warren Wood 6/7/05 /s/ Lera Shemwell 6/8/05

Energy Department/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation on Laclede Gas Company's Scheduled June PGA Filing

Effective June 14, 2005

DATE: June 7, 2005

On May 31, 2005, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri, filed a tariff sheet proposed to become effective June 14, 2005. The tariff sheet was filed to reflect scheduled changes in Laclede's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the remaining summer season. The summer season includes the months of May through October.

The net effect of these changes will increase the firm PGA factor to \$0.78484 per therm from the firm PGA factor of \$0.77260 per therm currently in effect. This proposal would increase a typical residential customer's bill approximately \$2, or 1% for the remaining summer season, when compared to the rates currently in effect.

Case No. GR-2005-0203, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2004-2005 Actual Cost Adjustment (ACA) filing. Case No. GR-2004-0273 was established to track the Company's PGA factors to be reviewed in its 2003-2004 ACA filing. Interim subject to refund status should be maintained pending final Commission decisions in ACA Case Nos. GR-2004-0273 and GR-2005-0203.

The Commission's Energy Department Staff (Staff) has reviewed this filing and has determined that the rates on the proposed tariff sheet were 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 (30) days notice is demonstrated by Laclede's Commission approved PGA Clause allowing for ten (10) business days notice for PGA change filings. The Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. The Staff has reviewed this filing and is unaware of any issue currently pending before the Commission that affects or is affected by this filing however; the following cases involving this Company are open:

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GO-99-155 GC-2005-0249 GE-2005-0405

GO-2003-0506 GR-2005-0284 GR-2004-0273 GO-2005-0351

In addition, Commission Case No. GT-2001-329 is on appeal.

Staff recommends approval of the following tariff sheet, as filed on May 31, 2005, with an effective date of June 14, 2005:

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

Two Hundred and Fifth Revised Sheet No. 29, Cancelling Two Hundred and Fourth Revised Sheet No. 29

Copies: Director - Utility Operations Division

Director - Utility Services Division Public Information Administrator

General Counsel

Manager - Procurement Analysis Department

Manager - Energy Department

Michael Cline, Director-Tariff and Rate Administration (Laclede)

Kenneth J. Neises, Executive Vice President-Energy & Administrative Services

(Laclede)

Michael Pendergast, Vice President-Associate General Counsel (Laclede)

Office of the Public Counsel

SUMMER SEASON

Approximate Billing Impact of 216 Therms per Summer Season Laclede Gas Company

Residential Heating Customer

	Summer Season with Current Rates (Months)	Therm Usage	Total Fuel Bill (\$)
#	May 2005	53	61.71
#	June	36	45.76
#	July	28	38.26
#	August	27	37.32
#	September	30	40.14
#	October	42	51.39
6 Month Summer Season Total		216	\$274.58

	Summer Season with Proposed Rates	Therm	Total Fuel
	(Months)	Usage	Bill (\$)
#	May 2005	53	61.71
*	June	36	46.20
*	July	28	38.60
*	August	27	37.65
*	September	30	40.50
*	October	42	51.90
	6 Month Summer Season Total	216	\$276.56

REMARKS

For a typical residential customer using approximately 216 therms during the summer season (May-October), natural gas rates will increase by \$1.98 or approximately 1% when comparing the fuel bills for the current summer season before and after this PGA fi

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
 Nov- Apr: First 65 therms = \$.39133/therm; For therms in excess of 65 therms = \$.0000/therm
 May- Oct: First 65 therms = \$.16527/therm; For therms in excess of 65 therms = \$.12462/therm
- # (4) Tariff Sheet No. 29: PGA Charge = <u>\$.77260</u> per therm
- * (5) Tariff Sheet No. 29: PGA Charge = $\frac{\$.78484}{}$ per therm

Missouri Public Service Commission
June 2005