

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GE-2009-0142, Laclede Gas Company

FROM: Thomas M. Imhoff, Energy Department – Tariffs/Rate Design

/s/ Thomas M. Imhoff 10/22/08      /s/ Lera Shemwell 10/22/08  
Energy Department/Date                      General Counsel's Office/Date

SUBJECT: Staff Recommendation On Laclede Gas Company's Application For Variance To  
Make An Accelerated Adjustment To Budget Billing Plan Amounts And Motion For  
Expedited Treatment

DATE: October 22, 2008

On October 17, 2008, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri filed an application for a variance from certain tariff provisions and expedited treatment of the application. On October 20, 2008, The Missouri Public Service Commission (Commission) ordered Staff to file its recommendation no later than October 22, 2008.

Laclede's Application for Variance (Variance) seeks a one-time variance from its Budget Billing tariff provisions (Tariff Sheet R-39) in order to lower its customers' Budget Billing Plan (BBP) amounts. The Variance is required because the tariff provisions applicable to Laclede's Budget Billing process specifies Company may review and make adjustments to its BBP twice a year, once in January (to become effective in February) and again in July (to become effective in August). Laclede made an adjustment to its BBP customers pursuant to its tariff provisions in July of 2008.

Staff supports the Variance and recommends Commission approval on an expedited basis for the following reasons:

- It will lower customers' BBP payments to more closely reflect Laclede's revised estimates of the cost of natural gas for the upcoming winter,
- It should reduce the amount of any over recovery adjustments made in January when the next BBP adjustment is scheduled to be made - barring any significant increase in gas costs,
- It should help customers by reducing BBP payment amounts at the beginning of the winter heating season; and
- It would allow Laclede to adjust its BBP payment amount at about the same time it is revising its Purchased Gas Adjustment (PGA) rates for other customers who are not on the BBP.

The Commission's Energy Department – Tariffs/Rate Design Staff (Staff) has reviewed this filing and recommends approval of Laclede's requested Variance. Commission approval of the Variance

will result in reduced BBP payment amounts consistent with Laclede's revised projected gas supply cost. Therefore, Staff has no objection to the Company's request for expedited approval. Staff has confirmed that the Company is not delinquent on any assessment and has filed its annual report. Staff is unaware of any issue currently pending before the Commission that affects or is affected by this filing.

Staff therefore recommends approval of Laclede's Variance, as filed on October 17, 2008, with an effective date of October 28, 2008.

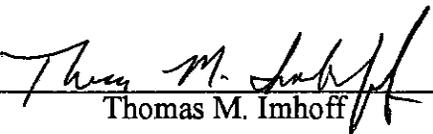
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Laclede Gas Company's            )  
Application For Variance to Make an            )  
Accelerated Adjustment to Budget            )  
Billing Plan Amounts                            )            Case No. GE-2009-0142

**AFFIDAVIT OF THOMAS M. IMHOFF**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Thomas M. Imhoff, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_  
Thomas M. Imhoff

Subscribed and sworn to before me this 22<sup>nd</sup> day of October, 2008.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
\_\_\_\_\_  
Notary Public