

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public
Service Commission held at
its office in Jefferson City on
the 3rd day of February.

In the Matter of Laclede Gas Company's)
Verified Application for Authority to Issue and Sell)
First Mortgage Bonds, Unsecured Debt and Preferred Stock,)
in Connection with a Universal Shelf Registration Statement,) **File No. GF-2009-0450**
to Issue Common Stock and Receive Capital Contributions,)
to issue or accept Private Placement Securities, and)
to Enter Into Capital Leases, all in a Total Amount)
Not to Exceed \$600 Million)

ORDER GRANTING TEMPORARY FINANCING AUTHORITY

Issue Date: February 3, 2010

Effective Date: February 13, 2010

The Missouri Public Service Commission is granting the request of Laclede Gas Company ("Laclede") for temporary financing authority from February 15, 2010, to May 15, 2010, ("motion") as set forth below.

A. Procedural Background

The motion appears in Laclede's response to the recommendation of the Commission's staff ("Staff"). Staff's recommendation supports the application, but only subject to restrictions not proposed in the application. Laclede objects to such restrictions and seeks a decision granting the application without the restrictions. If necessary to such decision, Laclede asks in the alternative for an on-the-record proceeding or evidentiary hearing. The Commission granted that request by separate order.¹

¹ Order dated January 26, 2010.

B. The Motion

Pending such procedure, Laclede asks for the Commission to “extend the effectiveness of its current financing authorization [.]” Such authority is due to expire on February 15, 2010.² Because the Commission’s decision on the merits of the application may take longer than that, Laclede asks the Commission to grant temporary financing authority from February 15, 2010, through May 15, 2010. The regulatory law judge assigned to the case discussed the motion with the parties at a conference on January 26, 2010. The reporter filed a transcript of that conference on January 29, 2010.

C. Analysis

Laclede may encumber its property³ and issue bonds or other debt instruments⁴ “reasonably required for”⁵ purposes related to its property, service, or certain payments,⁶ even if such debt is otherwise “reasonably chargeable to operating expenses or to income.”⁷ But Laclede must have “first secured from the commission an order authorizing it so to do”⁸ and “stating the purposes to which the issue or proceeds thereof are to be applied[.]”⁹ The Commission issues such order if the financing is not detrimental to the public.¹⁰

² *In the Matter of Laclede Gas Company’s Verified Application for Authority to Issue and Sell First Mortgage Bonds, Unsecured Debt and Preferred Stock, in Connection with a Universal Shelf Registration Statement, and to Issue Common Stock and Receive Capital Contributions, all in a Total Amount Not to Exceed \$500 Million* Case No. GF-2007-0220; order dated Feb. 27, 2007; page 5, paragraph 1.

³ Section 392.190.1, RSMo 2000.

⁴ Section 392.200.1, RSMo 2000.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ Section 392.200.1, RSMo 2000.

⁹ Section 392.200.1, RSMo 2000.

¹⁰ *State ex rel. City of St. Louis v. Public Service Com’n of Missouri*, 73 S.W.2d 393, 400 (Mo.1934).

Nevertheless, when no statute or regulation provides a hearing, the Commission need not conduct a hearing before granting an unopposed request.¹¹ Laclede's request for temporary authority is unopposed except as to one restriction. The Office of Public Counsel does not oppose the request. Staff does not oppose the request if it includes a restriction of \$100 million in long-term debt. Laclede disagrees with such restriction¹² but does not otherwise oppose this order.¹³ The remaining terms of such authority are in the order issued Feb. 27, 2007, in Case No. GF-2007-0220, which is based in part on the order issued August 14, 2001, in Case No. GM-2001-342.

Therefore, the Commission will grant the request subject to the restriction.

THE COMMISSION ORDERS THAT:

1. Laclede Gas Company ("Laclede") shall have financing authority:
 - a. As set forth in the Commission's order issued on February 27, 2007, in Case No. GF-2007-0220, and the order issued on August 14, 2001, in Case No. GM-2001-342, both of which are incorporated into this order as if fully set forth;
 - b. From February 15, 2010, through May 15, 2010; and
 - c. Restricted to \$100 million in long-term debt.
2. This order is without prejudice to the merits of both Laclede's application and the recommendation of the Commission's staff.

¹¹ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Serv. Com'n*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

¹² Transcript, page 16 lines 8 through 12.

¹³ Transcript, page 13 lines 20 through 23.

3. This order shall be effective on February 13, 2010.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. C. Reed', written in a cursive style.

Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett, Gunn,
and Kenney, CC., concur.

Jordan, Regulatory Law Judge