

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 11th day
of April, 2006.

In the Matter of the Application of Laclede Gas)	
Company for a Temporary Variance from Certain)	
Portions of Rule 10.A of Its Tariff Regarding Meter)	<u>Case No. GE-2005-0405</u>
Testing in Connection with Its Implementation of)	
an Automated Meter Reading Program.)	

ORDER APPROVING AGREEMENT AND GRANTING VARIANCE

Issue Date: April 11, 2006

Effective Date: April 21, 2006

On May 10, 2005, Laclede Gas Company requested that the Commission grant it a variance through the end of 2006 from the statistical sampling meter testing procedure referenced in Rule 10.A of its tariff. Laclede made its request in order to accelerate the replacement of meters that are incompatible with the automated meter reading equipment that it is installing. The USW Local 11-6 intervened and objected to the variance. The Staff of the Missouri Public Service Commission recommended that the variance be granted.

On March 31, 2006, USW Local 11-6, Staff, and Laclede filed a Unanimous Stipulation and Agreement. On April 4, 2006, the Commission held a hearing for presentation of the stipulation and questions from the Commission. Though titled "Unanimous," the Office of the Public Counsel was not a signatory to the agreement. The Public Counsel stated, however, that it does not object to the terms of the agreement or to the variance being granted.

No objections to the agreement have been filed. The time for objections has passed and under Commission rule 4 CSR 240-2.115 the agreement may now be considered unanimous.

Laclede requests that in lieu of the current procedures under the tariff, it be allowed to concentrate on the elimination of meters that do not fit well with its Automated Meter Reading (AMR) program. This would include tin meters, incompatible aluminum case meters, incompatible iron case meters, and meters with an accuracy rate of less than 90 percent under the current statistical sampling method. Under the terms of the agreement:

Laclede agrees to accelerate the replacement of meters that are not due to be replaced until next year under its statistical sampling program to the extent such meters are located in areas that have not yet had an Automated Meter Reading ("AMR") device installed and Laclede can obtain access to the customer's premises sufficiently in advance of the AMR installation to perform the replacement and, where feasible, to replace meters that are incompatible with the AMR device with meters on which the AMR device is already installed. To facilitate this acceleration and replacement, Laclede will have its meter shop employees install (at the meter shop facility) AMR devices on all residential new meters currently in inventory and on all residential recycled meters, and will obtain new meters from the manufacturer with AMR already installed.

The Commission has reviewed the agreement of the parties and finds that it is reasonable. Under the agreement, Laclede will accelerate the replacement of its meters to be compatible with AMR, Laclede employees will conduct the installation of some AMR devices in Laclede's meter shop and others will be installed at the manufacturer. In this manner, the customers will only need to grant access to the meter on one occasion instead of on two occasions. Thus, the granting of this variance should increase efficiency for

Laclede and its customers and bring about more quickly the end of estimated billing for some of Laclede's customers.

After reviewing the verified application, the unanimous agreement of the parties, and the recommendations of Staff, the Commission determines that good cause exists to grant the variance requested by Laclede as amended by the terms of the agreement of the parties.

IT IS ORDERED THAT:

1. The Unanimous Stipulation and Agreement filed on March 31, 2006, is approved and the parties are directed to comply with its terms.
2. The Verified Application for Variance as modified by the terms of the Unanimous Stipulation and Agreement is granted.
3. This order shall become effective on April 21, 2006.
4. This case may be closed on April 22, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge