

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

In the Matter of Laclede Gas Company/Fidelity)
Natural Gas, Inc.'s Purchased Gas Adjustment) Case No. GR-2007-0179
for 2005-2006)

ORDER SCHEDULING PROCEDURAL CONFERENCE AND DIRECTING FILING

Issue Date: February 11, 2008 Effective Date: February 11, 2008

Effective Date: February 11, 2008

On February 7, 2008, Laclede Gas Company and Fidelity Natural Gas, Inc. (collective “Laclede/FNG”), filed its response to the Staff of the Missouri Public Service Commission’s recommendation in this matter. In its response, Laclede/FNG states:

After reviewing the Staff's Recommendation and Memorandum in this matter, Laclede/FNG agree to the following adjustments: (i) reduced revenue recovery of \$9,874; and (ii) reduced transportation costs of \$14,284. (See Staff Memorandum, p. 2). Laclede/FNG opposes Staff's proposed adjustment of \$21,641-\$93,534 related to FNG's hedging practices. (Staff Memorandum, p. 5 of 9). Laclede/FNG have not yet been able to gather sufficient information to make a determination with respect to Staff's proposed disallowance of \$3,167 concerning fuel loss credits on the Panhandle pipeline. On that basis, Laclede/FNG opposes such disallowance pending further review.

With respect to the hedging issue, the Staff's proposed adjustment appears to be based solely on the use of hindsight, and is therefore an unlawful and unreasonable adjustment. In addition, FNG's hedging practices were not detrimental to customers.

Because the parties have not reached agreement on the proposed adjustments, the Commission will schedule a procedural conference to afford the parties the opportunity to discuss and possibly resolve the issues presented, and to discuss the procedural schedule

to be followed in this matter. The Commission will also set a date for the filing of a proposed procedural schedule to ensure that this case progresses expeditiously.

IT IS ORDERED THAT:

1. A procedural conference shall be held on February 21, at 10:00 a.m., in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, a building that meets accessibility standards of the Americans with Disabilities Act. Any person who needs specific accessibility accommodations may call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the hearing.
2. The parties shall file a proposed procedural schedule no later than February 28, 2008.
3. This order shall become effective on February 11, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Harold Stearley, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 11th day of February, 2008.