

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2008-0140, File No. JG-2008-0283
Laclede Gas Company

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

/s/ Thomas M. Imhoff 11/08/07	/s/ Lera Shemwell 11/08/07
Utility Operations Division/Date	General Counsel's Office/Date

SUBJECT: Staff Recommendation on Laclede Gas Company's Scheduled Winter Season PGA Filing Effective November 16, 2007

DATE: November 8, 2007

On October 31, 2007, Laclede Gas Company (Laclede or Company) of St. Louis, Missouri filed a tariff sheet proposed to become effective November 16, 2007. The tariff sheet was filed to reflect scheduled changes in Laclede's PGA factors as the result of an estimated change in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment (ACA) factor.

This filing will decrease the firm PGA factor from the current PGA level that has been in effect since November, 2006. This filing will decrease the current PGA rate from \$0.90497 per-therm to a proposed rate of \$0.85453 per-therm. This reflects a decrease of \$0.05044 per therm.

Case No. GR-2008-0140, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2006-2007 ACA filing. Case Nos. GR-2005-0203 and GR-2006-0288 were established to track the Company's PGA factors to be reviewed in its 2004-2005, and 2005-2006 ACA filings, respectively. This rate change should be on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2005-0203, GR-2006-0288 and GR-2008-0140.

Staff notes that Laclede's PGA filing includes the costs associated with its contract with Missouri Pipeline Company. These costs will be carefully reviewed in the Actual Cost Accounting process for 2007-2008 ACA period.

Due to the limited time available to review the documentation supporting the ACA factor represented in this filing, the Procurement Analysis Department (PAD) has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 31, 2008.

Staff has verified that the Company has filed its 2006 annual report and is not delinquent on any of its 2007 assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

The Staff has reviewed this PGA filing and has determined that it was calculated in conformance with Laclede's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty days notice is demonstrated by Laclede's Commission approved PGA clause allowing for ten (10) business days notice for PGA change filings.

Therefore, Staff recommends that the following tariff sheet, filed on October 31, 2007, be approved, interim subject to refund:

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

Two Hundred and Eleventh Revised Sheet No. 29, Cancelling Two Hundred and Tenth Revised Sheet No. 29

