

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

In the Matter of Laclede Gas Company's)	
Tariffs to Revise Natural Gas Rate)	Case No. GR-2007-0208
Schedules.)	

**STAFF RESPONSE TO COMMISSION ORDER REGARDING
TEST YEAR AND TRUE-UP**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), and respectfully submits its response to the Commission's December 13, 2006 *Order Directing Notice, Suspending Tariff, Setting Hearings and Directing Filings* and states:

1. On December 2, 2006, Laclede Gas Company filed proposed tariff sheets designed to implement a general rate increase for retail gas service provided in its Missouri territory.

2. In its December 13 Order the Commission suspended the tariffs and, among other things ordered Staff to file a pleading indicating its position concerning Laclede's proposed test year.

3. In that same order the Commission ordered Staff to file its position concerning a true-up in this case.

4. Staff's recommendation concerning the test year is that the test year in this case end on September 30, 2006, updated through March 31, 2007.

5. The update period allows Staff and the other parties to account for any events that would have a significant revenue impact on the Company. This recommendation is designed to include only items that have a significant and material revenue requirement impact in this case, and, in no event, should the update include all of Laclede's revenue, expense and rate base factors, which would have the effect of creating a new test year.

6. Staff has not determined whether or not to recommend a true-up in this case and will be in a position to make an informed recommendation until after Staff has completed most of its audit.

7. Staff will investigate the need for a true-up during its audit and make a recommendation in its direct testimony.

WHEREFORE, Staff respectfully submits Staff's Filing Regarding Test Year and True-Up.

Respectfully submitted,

/s/ Lera L. Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 8th day of January 2007.

/s/ Lera L. Shemwell