

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

In the Matter of Laclede Gas Company's)	
Tariff to Increase Its Annual Revenues for)	Case No. GR-2010-0171
Natural Gas Service.)	

**PUBLIC COUNSEL'S MOTION
TO MODIFY CUSTOMER NOTICE**

COMES NOW the Missouri Office of the Public Counsel and for its Motion to Modify Customer Notice states:

1. On January 21, 2010 the parties proposed a customer notice designed to notify customers of Laclede's requested rate increase and of the local public hearings to be scheduled in this case. The Commission has not approved the customer notice and has not finalized the times and locations of the local public hearings.

2. Upon further review of Laclede's requested tariff changes, OPC believes customers should be better informed of Laclede's proposed rate changes. Accordingly, OPC proposes a revised customer notice.

3. The revised customer notice is designed to better notify customers of the monthly rate changes and to notify customers of the proposed Customer Usage Adjustment, which will allow Laclede to apply an annual usage adjustment as a credit or surcharge to customers bills based on usage that differs from the usage used to establish rates in this case.¹ OPC should note that the previously filed customer notice proposal

¹ Direct Testimony of Michael T. Cline, p.9.

incorrectly included 7.1% as the proposed average change to customer overall bills, when in fact the average residential increase identified by Laclede in its filing is 7.4%.²

4. The previously proposed customer notice characterizes Laclede's requested rate changes as follows:

In December 2009, Laclede Gas Company asked the Missouri Public Service Commission (PSC) to approve an increase in its natural gas service rates of approximately \$60.7 million, of which approximately \$8.1 million is already being recovered in rates through Laclede's Infrastructure System Replacement Surcharge (ISRS), resulting in a net increase of \$52.6 million. For the average residential customer the proposed increase would be approximately 7.1 percent or \$5.59 per month.

5. OPC proposes to modify the above paragraph from the proposed notice and requests that the Commission direct Laclede to include the following changes to the notice:

In December 2009, Laclede Gas Company asked the Missouri Public Service Commission (PSC) to approve an increase in its natural gas service rates of approximately \$60.7 million, of which approximately \$8.1 million is already being recovered in rates through Laclede's Infrastructure System Replacement Surcharge (ISRS), resulting in a net increase of \$52.6 million.

The new rates are designed to recover Laclede's non-gas costs (non-gas costs do not include the cost of gas charged through the PGA). Laclede's proposed rate changes are as follows:

Residential Class:

Monthly Charges	Current (May- October)	Current (November- April)	Proposed (May- October)	Proposed (November- April)
Customer Charge	\$15.50	\$15.50	\$19.50	\$25.00
Usage (first 30 therms)	20.926¢	88.854¢	20.711¢	88.041¢
Usage (over 30 therms)	15.900¢	0.000¢	15.737¢	0.000¢

² See LGC Exhibit No. 2, General Information and Press Release, Schedule 5, Page 1 of 1.

Commercial & Industrial General Service – Class I:

Monthly Charges	Current (May- October)	Current (November- April)	Proposed (May- October)	Proposed (November- April)
Customer Charge	\$20.25	\$20.25	\$25.50	\$32.75
Usage (first 50 therms)	14.450¢	85.088¢	14.070¢	82.851¢
Usage (over 50 therms)	11.979¢	0.000¢	11.664¢	0.000¢

Commercial & Industrial General Service – Class II:

Monthly Charges	Current (May- October)	Current (November- April)	Proposed (May- October)	Proposed (November- April)
Customer Charge	\$32.25	\$32.25	\$40.50	\$52.00
Usage (first 500 therms)	14.125¢	56.518¢	16.831¢	66.302¢
Usage (over 500 therms)	11.463¢	0.000¢	13.447¢	0.000¢

Commercial & Industrial General Service – Class III:

Monthly Charges	Current (May- October)	Current (November- April)	Proposed (May- October)	Proposed (November- April)
Customer Charge	\$64.50	\$64.50	\$81.25	\$104.00
Usage (first 3,000 therms)	13.965¢	77.458¢	16.858¢	93.503¢
Usage (over 3,000 therms)	11.264¢	0.000¢	13.597¢	0.000¢

Customers in all other rate classes should contact Laclede Gas Company, the Missouri Public Service Commission, or the Office of the Public Counsel for the changes proposed for those classes.

Laclede has also proposed to implement a Customer Usage Adjustment for residential and commercial customers. The Customer Usage Adjustment would apply to customer bills as a credit or surcharge based on customer usage that was either higher or lower than the usage levels used to establish rates.

6. OPC proposes no changes to the remainder of the notice previously proposed by the parties.

7. OPC provided Laclede and the Commission's Staff with a draft copy of this pleading and notice changes. Staff indicated that it has no objections to these

changes. Laclede provided feedback, some of which was incorporated into the notice. However, Laclede indicated that it will file a separate response to this motion.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission adopt these changes to the customer notice.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ **Marc D. Poston**

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 4th day of February 2010:

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