

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Tariff) **Case No. GR-2007-0208**
to Revise Natural Gas Rate Schedules.) Tariff No. YG-2007-0384

ORDER DIRECTING NOTICE, SUSPENDING TARIFF, SETTING HEARINGS, AND DIRECTING FILINGS

Issue Date: December 13, 2006

Effective Date: December 13, 2006

Procedural History

On December 1, 2006, Laclede Gas Company submitted proposed tariff sheets designed to implement a general rate increase for retail gas service provided by Laclede to customers in its service areas. Laclede states that the new retail gas service rates are designed to produce an additional \$44.9 million in annual revenues. The submitted tariffs carry a January 1, 2007 effective date.

The Commission's Authority to Suspend Proposed Tariffs

Section 393.150, RSMo 2000, authorizes the Commission to suspend the effective date of a proposed tariff for 120 days plus an additional six months to allow for a hearing on the matter. So that the Commission will have sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable, and in the public interest, the proposed tariffs will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariffs cannot be concluded within 120 days, the proposed tariffs will be suspended for an additional six months.

Test Year and True-up Recommendations

The direct testimony of Laclede's witness, James A. Fallert, which Laclede filed along with its tariff, indicates that Laclede used a test year ending September 30, 2006, for the purposes of its rate case filing. Fallert also stated that Laclede made certain adjustments to the test year to reflect changes which will be known and measurable through March 31, 2007. Through Fallert's testimony, Laclede proposes that a true-up of certain accounts be made as of July 31, 2007. So that the test year and true-up questions can be quickly resolved, the Commission will require the other parties to promptly state their positions regarding Laclede's true-up and test year proposals.

Hearing, Local Public Hearings, Customer Notice, and Prehearing Conference:

The Commission will schedule an evidentiary hearing in this order and will reserve dates for a true-up hearing. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. The early establishment of the hearing dates also will allow ample time for notice to be sent to customers. In addition, the Commission will set an early prehearing conference and require the parties to file a proposed procedural schedule. Staff will have primary responsibility for preparing the proposed procedural schedule, but should coordinate the proposed schedule with the other parties as much as possible.

Finally, the Commission will direct the parties to file recommendations regarding the number, date, time, and specific location of local public hearings to be held in this matter.

Notice and Intervention:

The Commission's Data Center shall serve a copy of this order upon the county commission of each county in the Company's service area, the Board of Aldermen of the City of St. Louis, and every party to Laclede's last rate case. In addition, the Commission's Public Information Office shall make notice of this order available to the media serving Laclede's service area and to the members of the General Assembly representing the residents of Laclede's service area. The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file an application to intervene.

IT IS ORDERED THAT:

1. The proposed gas service tariff sheets submitted under Tariff File No. YG-2007-0384 on December 1, 2006, by Laclede Gas Company, for the purpose of increasing rates for retail gas service to customers, are suspended for 120 days, from January 1, 2007, to May 1, 2007.

2. The proposed gas service tariff sheets suspended for 120 days in ordered paragraph 1, are suspended an additional six months beyond May 1, 2007, to November 1, 2007, unless otherwise ordered by the Missouri Public Service Commission.

3. Any proper person or entity wishing to intervene shall file an application to intervene no later than January 3, 2007, with:

Colleen M. Dale, Secretary
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102-0360

and send copies to:

Michael C. Pendergast
720 Olive Street
St. Louis, Missouri 63101
ATTORNEY FOR LACLEDE GAS COMPANY

and to:

Office of the Public Counsel
Post Office Box 2230
Jefferson City, Missouri 65102-2230

4. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any persons or entities requesting intervention shall file, on or before January 8, 2007, a pleading either indicating concurrence in Laclede Gas Company's recommended test year or recommending alternatives to that test year.

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any intervenors shall file, on or before January 8, 2007, a pleading offering a recommendation concerning a true-up.

6. An early prehearing conference shall be held on January 10, 2007, at 10:00 a.m. The early prehearing conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

7. The parties shall file a proposed procedural schedule on or before January 17, 2007. The Staff of the Missouri Public Service Commission shall have the primary responsibility for preparing and filing the proposed procedural schedule.

8. The parties shall file recommendations as to the times, dates and locations for local public hearings regarding the proposed rate increases on or before January 17, 2007.

9. An evidentiary hearing is scheduled for July 23 through July 27, 2007, and July 30 through August 3, 2007, beginning at 8:30 a.m. in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

10. August 29 and 30, 2007 are reserved for a true-up hearing, if such a hearing is ordered. The hearing will begin at 8:30 a.m. and will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

11. Because the deadline for completion of the hearing process is fixed by law, the Commission is unwilling to continue the scheduled hearing at the last minute to allow the parties more time to negotiate a settlement. Therefore, the parties are put on notice that the Commission will not grant a motion for continuance of the hearing unless a unanimous stipulation and agreement is filed at the same time or prior to the motion for continuance.

12. Laclede Gas Company shall notify each affected customer of the scheduled hearings. The form and time of the notice shall be agreed upon by the parties and shall be filed for the Commission's approval no later than January 17, 2007.

13. The Commission's Data Center shall serve a copy of this order upon the county commission of each county in Laclede Gas Company's Missouri service area, the Board of Aldermen of the City of St. Louis, and upon every party to Laclede Gas Company's last rate case, Case No. GR-2005-0284.

14. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of Laclede Gas Company's Missouri service area and to the news media serving the residents of Laclede Gas Company's Missouri service area.

15. All hearings in this case will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in any hearing, please call the Missouri Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 before the hearing.

16. This order shall become effective on December 13, 2006.

BY THE COMMISSION

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

Colleen M. Dale
Secretary

(S E A L)

Nancy Dippell, Deputy Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 13th day of December, 2006.