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FEB 26 2007

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Missouri Public  
Service Commission

FILED

AUG 20 2002

Missouri Public  
Service Commission

In the Matter of Laclede Gas )  
Company's Tariff to Revise Natural ) Case No. GR-2002-356  
Gas Rate Schedules. )

PARTIAL STIPULATION AND AGREEMENT

On January 25, 2002, Laclede Gas Company ("Laclede" or "Company") submitted to the Missouri Public Service Commission ("Commission") revised tariff sheets reflecting increased rates for gas service provided to customers in its Missouri service area. The proposed tariff sheets contained a requested effective date of February 25, 2002 and were designed to produce an annual increase of approximately 6.3 percent (\$36.092 million) in charges for gas service. In addition to the proposed tariff sheets, the Company also submitted its minimum filing requirements and prepared direct testimony in support of the requested rate increase.

By Order dated January 31, 2002, the Commission suspended the proposed tariff sheets and established a procedural schedule for interventions and evidentiary hearings. On March 19, 2002, the Commission issued its Order in which it established additional and revised procedural dates, adopted a test year and true-up procedures and granted various applications to intervene. Specifically, the Commission granted the applications to intervene filed by Union Electric Company d/b/a AmerenUE; the Missouri Energy Group (Barnes-Jewish Hospital, Emerson Electric Company, SSM HealthCare, and St. John's Mercy Health Care); Missouri Industrial Energy Consumers (Adam's Mark Hotels, Alcoa Foil Products, Anheuser-Busch Companies Inc., The Boeing Company, DaimlerChrysler, Ford Motor Company, General Motors Corporation, Hussmann

Laclede Exhibit No. 12  
Case No(s) GR-2002-0273  
Date 1-22-07 Rptr XF

### Off-System Sales/Capacity Release Revenues

12. The rates recommended herein reflect an imputed level of revenue in the amount of Three Million Eight Hundred Thousand Dollars (\$3,800,000) for the release of pipeline capacity and off-system sales. In exchange for this imputation, the Company shall be permitted to retain 100% of any revenues realized from such transactions during the period the rates established in this proceeding are in effect. It is expressly understood that during such period no other treatment of such revenues shall be implemented as the result of any action taken in another Commission case, except upon mutual recommendation of the Parties and approval by the Commission. The Company also agrees to document and provide a rationale for any instance where it makes an off-system sale of gas that utilizes gas supplies with a commodity cost that is lower than the highest commodity cost of gas available and purchased by the Company for system supply on any pipeline on the day the sale is made. Consistent with its goal of maximizing the net revenues available from the release of pipeline capacity and the sale of gas off-system and subject to the following provision, the Company fully intends, in those instances where either an off-system sale or a release of capacity can practically be made on the same pipeline, to execute the transaction that will create the highest net margin or capacity release credit. For capacity that is available for one month or greater and is not backed up by gas supply, the Company shall provide documentation and an explanation to Staff and Public Counsel of the process it uses to select the transaction that will create the highest net margin or capacity release credit. The Company, Staff and Public Counsel further agree to meet within 90 days of the Commission's approval of this Stipulation and Agreement to discuss the nature and character of the Company's off-system sales

activities and attempt to reach a mutual understanding regarding the impact of such transactions. The Parties further agree that the Company's tariff relating to off-system sales shall be modified to incorporate by reference therein the terms of this Paragraph 12 of this Stipulation and Agreement. Attachment 2 to this Stipulation and Agreement, which is incorporated herein for all purposes, is a copy of the modified off-system sales tariff. In the event of a conflict between this Paragraph 12 of this Stipulation and Agreement and the Company's off-system sales tariff, Paragraph 12 of this Stipulation and Agreement will be controlling.

#### **Billing Determinants for Rate Design**

13. The Parties agree that an annual heating degree day level of 4,718 shall be used to calculate the billing determinants for all rate design purposes.

#### **Provision of Additional Information**

14. The Company agrees to cooperate with Staff, Public Counsel and other interested Parties in the development and completion of a water heating analysis and other information in accordance with the requirements set forth in Attachment 3, which is attached hereto and incorporated herein for all purposes. The Company also agrees to cooperate in the development and completion of new cost of service studies and data for its Commercial and Industrial General Service and Commercial and Industrial Seasonal Service rate schedules. The Company will meet with Staff, Public Counsel and other interested Parties within 90 days of the Commission's approval of this Stipulation and Agreement to discuss what type of studies and data would be useful for this purpose and to develop a timeframe for developing and providing such information. The Company also agrees to collect, and provide to Staff, Public Counsel and the industrial participants