

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

In the Matter of the Review of the Purchased Gas     )  
Adjustment Clauses in the Tariffs of Local            )  
Distribution Companies                                    )     Case No. GO-2002-452

**LACLEDE GAS COMPANY'S COMMENTS**  
**IN RESPONSE TO STAFF STATUS REPORT**

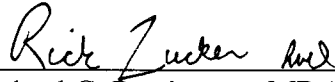
**COMES NOW** Laclede Gas Company ("Laclede" or "Company") and, pursuant to the Commission's Second Order Directing Filing, issued on December 23, 2002, files its Comments in response to the Status Report filed by Staff in this case on December 2, 2002, stating as follows:

1. Paragraph 1E of the Status Report covers "Financial Instrument Carrying Costs." This refers to the carrying costs incurred by the local distribution company ("LDC") when the LDC buys natural gas financial instruments. In Paragraph 1E, Staff states that "Laclede currently has an AAO arrangement [to recover these carrying costs], and Staff is not recommending an end to that existing provision." Laclede files this comment to correct the record. Laclede does not have an AAO to recover financial instrument carrying costs, but instead is authorized to recover such costs through the Deferred Carrying Cost Balance of its PGA/ACA Clause. This authorization is expressly confirmed in the Commission's Order Approving Stipulation and Agreement and Approving Tariffs, issued on February 28, 2002, in Case No. GT-2002-387.

2. Paragraph 1G of the Status Report covers a draft rule Staff has raised regarding disclosure of prospective gas supply plans. The Report accurately conveys Laclede's concerns regarding the time frames provided in the draft rule. However, the

Report omits other concerns expressed by Laclede, including that LDCs not be required to produce information and analyses that are not productive or that the Company does not normally prepare or perform. Moreover, given the increasingly extensive information that Laclede already provides, or has agreed to provide, in the course of its ACA proceedings, along with information that it has informally shared with Staff regarding the Company's hedging strategy, Laclede believes that Staff already has more than adequate information upon which to make a thorough assessment of Laclede's gas supply planning function.

Respectfully submitted,



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#### **Certificate of Service**

The undersigned certifies that a true and correct copy of the foregoing Comments was served on the General Counsel of the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and all other parties of record on this 3rd day of January, 2003 by hand-delivery or by placing a copy of such document, postage prepaid, in the United States mail.

