

LACLEDE GAS COMPANY
720 OLIVE STREET
ST. LOUIS, MISSOURI 63101
314-342-0598

R. LAWRENCE SHERWIN
Assistant Vice President
Regulatory Administration

15
October 10, 2002

VIA HAND DELIVERY

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Governor Office Building
200 Madison Street
Jefferson City, MO 65101

FILED²

OCT 15 2002

Missouri Public
Service Commission

RE: Case No. GT-2003-0032
Tariff No. JG-2003-0048

Dear Mr. Roberts:

On August 1, 2002 the Company filed tariff sheets to implement an Experimental School District Aggregation Service. As a result of the Unanimous Stipulation And Agreement which is being filed in this case today, the enclosed tariff sheets should be substituted for the corresponding tariff sheets that were filed August 1. It should be noted that Sheets Nos. 44 and 45 are new tariff sheets that were not included in the August 1, 2002 filing. Sheet No. 1-a, which was included in the original filing, is not being substituted.

I have enclosed three copies of this filing, one of which is for your convenience in acknowledging your receipt thereof.

Sincerely,

R. Lawrence Sherwin
by *Jm*
R. Lawrence Sherwin

Enclosures

cc: Office of the Public Counsel

**P.S.C. MO. No. 5 Consolidated, Original Sheet No. 41
CANCELLING All Previous Schedules**

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

EXPERIMENTAL SCHOOL DISTRICT AGGREGATION SERVICE

A. Overview:

Pursuant to Section 393.310 of the RSMo, the Company shall permit eligible school entities ("ESEs"), as defined in such section, to participate in an experimental program under which the natural gas supply and transportation requirements of participating ESEs are aggregated by a not-for-profit school association ("Association") on behalf of such ESEs. The participating ESEs or their agent shall sell such aggregated supplies to the Company, which, in turn, will deliver gas to such ESEs at the rates and charges provided for in the Company's applicable sales service rate schedules.

B. Availability of Service:

This service shall be available to eligible public school districts only during the first year following the initial effective date of such service ("First Aggregation Year") and to all ESEs thereafter. By September 1 of each year except for the First Aggregation Year, the Association shall provide the Company with an initial list of each school premise, including the address and the Company account number, where such service is to be provided starting the following November. By November 1 the Association may supplement such list so long as the additional projected aggregation volumes resulting from such supplement do not exceed the original projected volumes by more than 20%. The aggregation service for any customers added between September 1 and November 1 shall commence January 1. For the First Aggregation Year only, the Association shall provide the Company with a list of participating customers anytime after the effective date of the Commission's order approving aggregation service.

C. Supply Planning Obligations:

1. By October 1 each year, except for the First Aggregation Year, the Company shall provide the Association with an initial temperature based equation ("Delivery Schedule") which will be used by the Association to determine the daily amount of natural gas the Association must arrange for delivery into the Company's distribution system to meet the gas supply requirements of the participating schools during the subsequent 12 months ending October 31 period ("Aggregation Year"). Such Delivery Schedule shall consist of the sum of the estimated base load and estimated heating load for all of the participating ESEs as such estimated loads are described in Sheet No. R-40 of the Company's tariff. The Normalization Adjustment Factors described in Sheet No. R-40 are set forth in Section K. (The equation will reflect, among other factors, unaccounted-for-gas, as a percentage of sales, that will be determined annually by the Company. The Company shall notify the Association of such percentage by October 1, which percentage shall consist of a base level of 2.5%, adjusted for the departure of actual unaccounted-for-gas from such base level in the previous Actual Cost Adjustment year.) By December 1 the Company shall provide the Association with a revised

DATE OF ISSUE

August 1, 2002

Month Day Year

DATE EFFECTIVE

November 1, 2002

Month Day Year

ISSUED BY

R.L.Sherwin,

Assistant Vice President,

720 Olive St.,

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Name of Officer

Title

Address

**P.S.C. MO. No. 5 Consolidated, Original Sheet No. 42
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SCHEDULE OF RATES

C. Supply Planning Obligations (Continued):

Delivery Schedule which will be used by the Association to determine the daily amount of natural gas the Association must arrange for delivery into the Company's distribution system to meet the gas supply requirements of the participating schools during the subsequent January 1 through October 31 period. For the First Aggregation Year only, the Company shall provide the Association with a Delivery Schedule within twenty business days of receipt of the list of participating customers, after which aggregation service may commence as early as the first day of the month following the provision of such Delivery Schedule.

2. Once per week during the October 15 through April 30 period, the Company shall provide the Association with the forecasted daily temperature for the one week period beginning the next day. Such forecast is to be used by the Association with the Delivery Schedule to determine the daily delivery requirements for such week. If for any business day during the October 15 through April 30 period the Company or the pipeline issues a critical day flow order or period of curtailment, or the Company determines a system operational need, then by 9:00 a.m. of such day the Company shall provide the Association with the applicable following day's (days') forecasted daily temperature that is to be used by the Association with the Delivery Schedule to determine the applicable following day's (days') delivery requirements. The information under this paragraph shall normally be provided by email.

D. Imbalances:

Any difference between the total volumes sold to all of the participating ESEs and the volumes of gas purchased by the Company from the participating ESEs or their agent, after adjusting for the differences that arise from the Company's revenue cycle billing of customers and the calendar month purchases of gas supplies, shall be accumulated in an imbalance account. Any over-delivery or under-delivery of gas in such imbalance account shall be used to ratably increase or reduce the amount of gas the Association must arrange for daily delivery into the Company's distribution system in the subsequent month.

E. Transportation Capacity:

The Company will release to the participating ESEs or their agent firm transportation capacity on Mississippi River Transmission Corporation ("MRT") at the Company's cost of such capacity in accordance with the capacity release procedures contained in MRT's Federal Energy Regulatory Commission approved tariff. Such capacity shall be released to and taken by the party designated by the Association at MRT's maximum FERC-approved rate, through May 31, 2003, on a recallable basis, but will not be recalled by the Company unless requested by the Association and agreed to by the Company, or unless the Association fails to deliver gas supplies in accordance with the Delivery Schedule, adjusted for

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SCHEDULE OF RATES

E. Transportation Capacity (Continued):

any imbalance, as set forth in Section H. The amount of capacity released through May 31, 2003 shall equal 150% of the average daily consumption of participating ESEs in the peak usage month for each such ESE that occurred during the 24 months ending September 30, 2002. Within 60 days of the effective date of this tariff, the Company, Staff, Association and Office of the Public Counsel shall meet to determine if they can reach a mutually acceptable recommendation for revising the treatment of capacity costs or other program provisions subsequent to May 31, 2003. Such parties shall file either their joint recommendation or, if an agreement is not reached, their individual recommendations regarding such matters, by March 17, 2003 together with testimony explaining why such revisions are appropriate and consistent with the requirements of §393.310. The parties will request that the Commission issue its decision to be effective June 1, 2003.

F. Payments By The Customer And The Company:

Each month the Company shall bill each eligible entity for gas metered at each entity's premise at the rates in effect for the sales service rate schedule under which the customer would otherwise receive gas if it were not participating in the program. After the end of each calendar month the participating ESEs or their agent shall invoice the Company for the natural gas purchased and received by the Company from the ESEs or their agent in such calendar month. Such invoice shall be based on the schools' cost of gas including transportation charges and for any other applicable charges necessary to effect delivery of such gas to the Company's city gate. The Company shall remit the amount due to the schools in immediately available funds on or before 10 business days after receipt of the invoice by the Company. At the end of each billing month the Company shall also credit or charge the Association an amount equal to the difference between the total Purchased Gas Adjustment recovery from all of the ESEs (except for the first year of the program during which only Current Purchased Gas Adjustment recovery shall be used) and the sum of the gas cost paid by the Company to the Association for gas delivered to the entities. The gas costs paid shall include the effect of any imbalance volumes and corresponding costs from the previous month, along with a credit for a pro-rata share of the system-wide discount the Company receives from MRT. In addition, the amount credited or charged to the Association shall be adjusted to reflect the Company's retention of a \$.004 per therm aggregation and balancing fee on every therm sold plus any additional charges and Incremental Costs as described in Sections H and J below. The Company's periodic remittance of gross receipts taxes to each municipality for the most recent applicable billing period shall be based on billings made to each customer under the applicable sales service rate schedule as adjusted, as soon thereafter in the Company's next such remittance, for the other credits or charges made pursuant to this paragraph.

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P.S.C. MO. No. 5 Consolidated, Original Sheet No. 44
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SCHEDULE OF RATES

G. Accounting For Costs On The Company's Books:

The costs of gas supply and transportation services purchased by the Company from the participating ESEs or their agent shall be debited to a separate School District Aggregation account and shall not affect the costs borne by other sales customers. Such account shall also be credited for the PGA recovery from participating customers plus the aforementioned credits or charges to the Association.

H. Failure To Deliver Supplies:

As described above, the Association, on behalf of the ESEs, is obligated to deliver supplies into the Company's distribution system in accordance with the Delivery Schedule, adjusted for any imbalance. In the event such supplies are not so delivered, the Company shall be entitled to convert the ESEs to regular sales service from the Company until the Association is able to resume the delivery of such supplies, and the aggregation service shall be temporarily suspended. The Company may terminate the aggregation service if the Association is unable to resume the delivery of such supplies within five business days, or if the Association has failed to make deliveries in accordance with the Delivery Schedule for a third time within the same Aggregation Year. Except in a period when the Company's Basic Transportation customers are limited to their Daily Scheduled Quantities as described in Section C of the Company's Large Volume Transportation and Sales Service rate schedule, the ESEs shall have the option of paying the Unauthorized Use Charge for any volumes not delivered in accordance with the Delivery Schedule. In the event the ESEs exercise this option, then such event will not be counted as a failure to deliver for purposes of this section. To the extent that the delivery failure occurs during a period when the Company's Basic Transportation customers are limited to their Daily Scheduled Quantities as described in Section C of the Company's Large Volume Transportation and Sales Service rate schedule, the Company shall bill the Association, on behalf of the ESEs, the Unauthorized Use Charge set forth in such section for each therm not delivered in accordance with the Delivery Schedule.

I. Availability Of Individual Customer Billing Data:

The Company shall cooperate fully with the Association in sharing individual customer billing data in order for the Association to make adjustments to the amounts initially paid by each customer to the Company.

J. Incremental Costs:

So as to ensure that this aggregation program will not have any negative impact on the Company or its other customers, and that the charges for the service produce revenues sufficient to recover all incremental costs of the service, charges for this service shall be adjusted, as necessary, to fully

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SCHEDULE OF RATES

J. Incremental Costs (Continued):

recover the incremental cost of providing the service, to the extent such costs are not otherwise recovered through other provisions of this tariff. Any undercollection shall be recovered over a period of twelve months. Payments for capacity made available by the Company under this program shall not be considered capacity release revenues, and shall be credited to the Deferred Purchase Gas Cost Account, provided that the Company may seek to recover, through an ACA adjustment, any losses in such revenues that the Company experiences as a result of making such capacity available. By March 1 and June 1 of 2003 and by June 1 of 2004, the Company shall submit to the Commission Staff and the Office of Public Counsel information documenting and categorizing the revenues and costs of the program, in sufficient detail to allow Staff and Public Counsel to audit the program and shall provide a final report with the same detail by August 1, 2005.

K. Normalization Adjustment Factors:

The Normalization Adjustment Factors for each month to be used in the derivation of the Delivery Schedule described in Section C above are as follows:

October	1.2
November	1.3
December	1.6
January	1.8
February	1.7
March	1.6
April	1.3
May	1.2
June	1.1
July	1.0
August	1.0
September	1.1

L. Term of Experiment:

Consistent with Section 393.310 of the RSMo, this service will expire June 30, 2005. At the end of the twelve months ended June 30, 2006 period, any customer who participated in the aggregation program during its final year, shall be subject to a one-time separate charge or credit that is intended to offset the flow-through of any ACA or refund credits or charges that were billed to such customer for sales service rendered by the Company during the twelve months ended June 30, 2006 period.

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