

**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 CONCERNING TEST YEAR AND TRUE-UP AND ADOPTING PROCEDURAL SCHEDULE**

Issue Date: January 23, 2007

Effective Date: January 23, 2007

On December 1, 2006, Laclede Gas Company submitted to the Missouri Public Service Commission certain proposed tariff sheets. The purpose of the filing, according to Laclede, is to implement a general rate increase for retail natural gas service provided by the Company. On December 13, 2006, the Commission suspended the proposed tariff sheets until November 1, 2007, and directed the parties to file recommendations concerning the proper test year and true-up proceeding. The parties each filed pleadings concerning the test year and true-up.

The Commission also directed the parties to file a proposed procedural schedule. On January 18, 2007, Laclede filed Recommendations of the Parties Regarding Procedural Schedule, Public Hearings and Customer Notice on behalf of all the parties. In addition to proposing the procedural schedule for this case, the recommendation set out certain agreements the parties reached at the early prehearing conference and asked the Commission to reflect those agreements in its order setting the procedural schedule. The agreements are:

to provide all workpapers (in electronic format whenever feasible) within two business days following the date when the related testimony is filed and, once rebuttal testimony is filed, to provide

answers to data requests within 10 days and to submit objections to such data requests within 5 days.

### **The Test Year**

Laclede, Staff, and Public Counsel filed recommendations regarding the proper test year to be utilized in this case. Laclede recommended that the Commission establish the 12 months ending September 30, 2006, as the test year, with an update period for known and measurable changes through March 31, 2007. Staff and Public Counsel<sup>1</sup> concurred in Laclede's recommendation and no other party took a position on the issue. The Commission will establish the test year as recommended by Laclede.

### **True-up**

In its suspension order, the Commission reserved the dates of August 29-August 30, 2007, for a possible true-up hearing. The parties indicated during the early prehearing conference that it was premature to determine if a true-up hearing would be necessary. The Commission finds it is reasonable to postpone the decision regarding a possible true-up. If any party requests a true-up, that request shall be made at the time of the filing of the Statement of Positions.

### **The Procedural Schedule**

The parties have requested that the evidentiary hearing be delayed for one week. The requested delay will not delay the proposed dates for true-up or the final submission of the case to the Commission. The Commission has reviewed the proposed procedural schedule and finds it to be appropriate.

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<sup>1</sup> Public Counsel recommended in its pleading a test year following the calendar year, ending December 31, 2006. At the prehearing conference, however, Public Counsel indicated that that recommendation was in error and that there was no objection to the test year as proposed by Laclede.

The Commission finds that the following conditions should be applied to the schedule:

(A) The procedural agreements of the parties as set out above are adopted.

(B) The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. All parties shall comply with this rule, including the requirement that testimony be filed on line-numbered pages. The practice of prefiling testimony is designed to give parties notice of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays caused by allegations of unfair surprise at the hearing.

(C) The parties shall agree on and file a joint list of issues to be determined herein by the Commission. The requirements for issue format set forth in 4 CSR 240-2.080(21) are waived. Staff shall be responsible for actually drafting and filing the list of issues and the other parties shall cooperate with Staff in the development thereof. Any issue not included in the issues list will be presumed to not require determination by the Commission.

(D) Each party shall file a list of the witnesses to appear on each day of the hearing and the order in which they shall be called. The parties shall establish the order of cross-examination and file a joint pleading indicating the same.

(E) Each party shall file a statement of its position on each disputed issue, including a summary of the factual and legal points relied on by the party. Such statement shall be simple and concise, shall follow the issues set out in the issues list, and shall not contain argument about why the party believes its position to be the correct one. Each statement of position shall include, for each issue upon which a party intends to adduce evidence, the names of each witness offering testimony on that issue and a specific reference to the pages of the prefiled testimony containing that evidence.

(F) Because much of the evidence will have been filed before the hearing, the Commission will require prehearing briefs that address all the issues in dispute and all the relevant prefiled testimony. Since the prehearing briefs will cover most of the record, posthearing briefs will not need to be very lengthy, and will be limited to thirty pages in length. Posthearing briefs will generally just need to update the prehearing briefs for new evidence adduced at the hearing, if any.

(G) All pleadings and briefs shall be filed in accordance with 4 CSR 240-2.080. The briefs to be submitted by the parties shall follow the same list of issues as filed in the case. The briefs must set forth and cite the proper portions of the record concerning the unresolved issues that are to be decided by the Commission.

(H) The parties shall pre-mark the exhibits that they wish to offer into evidence. Exhibit numbers are assigned in the following manner:

Laclede Gas Company	Exhibit Nos. 001-099
Staff	Exhibit Nos. 100-199
Public Counsel	Exhibit Nos. 200-299
USW Local 11-6	Exhibit Nos. 300-399
MSBA	Exhibit Nos. 400-499
MDNR	Exhibit Nos. 500-599
MEG	Exhibit Nos. 600-699
MIEC	Exhibit Nos. 700-799

If any party requires additional exhibit numbers it may add a 1 to the beginning of its assigned numbers. Thus, for example, if Party No. 1 has exhibits in addition to exhibit number 099, its next exhibit numbers would be 1000, 1001, 1002, etc.

Highly confidential or proprietary exhibits and their public counterparts shall have the same exhibit number with the appropriate letter designation (e.g., Exhibit 1HC and 1NP).

(I) Each party shall prepare a list of its premarked exhibits and submit a copy of that list to each other party and to the regulatory law judge ([nancy.dippell@psc.mo.gov](mailto:nancy.dippell@psc.mo.gov)) as set out below. The lists need not be formally filed in the case file.

(J) All parties are required to bring an adequate number of copies of exhibits which they intend to offer into evidence at the hearing. If an exhibit has been prefiled, only one copy of the exhibit is necessary for the court reporter. If an exhibit has not been prefiled, the party offering it should bring, in addition to the copy for the court reporter, copies for the five Commissioners, the Regulatory Law Judge, and all counsel.

(K) Any party wishing to object to the admission into evidence of any prefiled testimony shall file its objection in writing as set out below.

(L) The parties are encouraged to raise appropriate and timely objections to live testimony as it is presented at the hearing.

(M) The parties are encouraged to keep control of witness testimony by raising appropriate objections to narrative and nonresponsive answers.

(N) The hearing transcript will be expedited to be available **no later than the fifth working day after the close of the evidence**. If any party seeks to expedite the filing of the transcript further, such request shall be tendered in writing to the Presiding Judge at least five days prior to the date of the hearing.

(O) Each party may prepare and file proposed findings of fact and conclusions of law, including citations to prefiled testimony and other evidence, to be filed during the posthearing briefing schedule.

(P) In the event that the parties reach a settlement of all of the issues, such settlement shall not be grounds for a continuance of the hearing unless the agreement is final, has been submitted to the Commission in writing, and there are no objections to the agreement.

### **Local Public Hearings**

The suspension order also required the parties to file recommendations as to the dates, times and locations of local public hearings. The parties included recommendations for local public hearings in their joint procedural filing. The parties suggest four local public hearings be held in the Wohl Community Center near downtown St. Louis, in Clayton, at the University of Missouri – St. Louis, and in Union between May 18, 2007, and June 4, 2007. The Commission will attempt to accommodate the parties' requests and shall set public hearings, and provide specific details as to the date, time, and venue in a later order.

### **IT IS ORDERED THAT:**

1. The test year in this matter shall be the 12 months ending September 30, 2006, updated and adjusted for known and measurable changes through March 31, 2007.

2. The procedural schedule is adopted as follows:

Staff, Public Counsel, and Intervenor Testimony and Schedules	May 4, 2007
Staff, Public Counsel, and Intervenor Rate Design Testimony and Schedules and Preliminary Reconciliation	May 18, 2007
Settlement Conference	June 4 – 8, 2007
Preliminary Issues List	June 15, 2007
Rebuttal Testimony Due	June 22, 2007
Surrebuttal / Cross Testimony Due	July 13, 2007

Statement of Positions / Final Reconciliation	July 17, 2007
Prehearing Brief	July 23, 2007
Known Objections to Prefiled Testimony	July 23, 2007
Request for True-up Hearing	July 23, 2007
Hearing	July 30 – August 10, 2007 8:30 a.m. (first day)
True-up Hearing	August 29 – 30, 2007 8:30 a.m. (first day)

3. The evidentiary hearing will be held at the Commission's offices in the Governor Office Building, 200 Madison Street, Room 310, Jefferson City, Missouri, a facility which meets the accessibility standards of the Americans with Disabilities Act (ADA). Any person who needs additional accommodations to participate in the hearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

4. The parties are directed to comply with the conditions set out in this order, including their agreements in paragraph 3 of the Recommendations of the Parties Regarding Procedural Schedule, Public Hearings and Customer Notice.

5. This order shall become effective on January 23, 2007.

**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 23rd day of January, 2007.