

LACLEDE GAS COMPANY
720 OLIVE STREET
ST. LOUIS, MISSOURI 63101

AREA CODE 314
342-0532

MICHAEL C. PENDERGAST
ASSISTANT VICE PRESIDENT
ASSOCIATE GENERAL COUNSEL

March 26, 2001

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Governor Office Building
200 Madison Street
P. O. Box 360
Jefferson City, MO 65102-0360

FILED²
MAR 27 2001
Missouri Public
Service Commission

RE: Case No. GO-2000-394

Dear Mr. Roberts:

Enclosed for filing, please find the original and eight copies of the Motion for Expedited Treatment in the above-referenced case. Please file-stamp the additional copy of this Motion and return the same in the pre-addressed, stamped envelope provided.

Thank you for your consideration in this matter.

Sincerely,


Michael C. Pendergast

MCP:kz

cc: All parties of record

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MOTION FOR EXPEDITED TREATMENT

COMES NOW Laclede Gas Company (“Laclede” or “Company”) and for its

1. Contemporaneously with the submission of this Motion, Laclede

2. By way of background, Laclede would note that on February 13, 2001, the

contribute this additional amount out of its share of the more than \$28.5 million in PSP benefits which had been achieved by the Company this winter pursuant to its approved PSP tariff. (Tr. 42, 50-51, 61).

3. Pursuant to the Commission's February 13, 2001 Order, the Company made a tariff filing on February 23, 2001 to implement this offer. Subsequently, on March 15, 2001, the Staff filed a Motion to Suspend Laclede's February 23, 2001 tariff filing on the asserted grounds that it did not comply with the Commission's February 13, 2001 Order. On March 22, 2001, the Commission issued its Order Rejecting Tariff in which it denied Staff's Motion to Suspend and rejected Laclede's tariff filing. In doing so, the Commission determined that Laclede's tariff filing went beyond the Commission's February 13, 2001 Order, in that it contained a sentence which purported to preclude the Commission from ever reviewing this matter in a future Actual Cost Adjustment proceeding. *Order Rejecting Tariff*, p. 2. The Commission indicated that should Laclede refile its proposed tariff without the additional language in the last sentence of paragraph G, the Commission would be inclined to approve the tariff on an expedited basis to become effective in less than 30 days. *Id.*

4. Pursuant to the Commission's *Order Rejecting Tariff*, Laclede has eliminated from the Revised Tariff Sheet filed today the last sentence of paragraph G.1, which appeared in its earlier tariff filing.¹ And to further underscore the Commission's stated desire to maintain its ability to review this matter in a future ACA proceeding, the Company has added language specifically indicating that any amount the Company may

¹ Although the Commission's Order referred to the last sentence of paragraph G, Laclede assumed from the Commission's discussion that it meant the last sentence of paragraph G.1 on Sheet No. 28-e.

be permitted to retain out of the gains achieved under the Program this winter will be subject to review in such a proceeding.

5. At the same time, the Company has also clarified the tariff language to make it absolutely clear that the additional \$4 million dollars in increased funding for the Program is to come out of the financial gains achieved under the Program this winter.² That is what the Company's offer always contemplated and Laclede believes that is what the Commission approved in its February 13, 2001 Order when it directed the Company to implement its offer.

6. More importantly, it is the only fair result possible. The PSP, and the Company's performance thereunder, has produced tens of millions of dollars in benefits for its customers this winter in the form of cash payments made to the Company as a result of gains realized from the purchase and sale of financial instruments. As requested by the Commission, the Company has made a concerted effort to pass through the lion's share of the benefits to its customers on an expedited basis by seeking and obtaining Commission approval to make an unscheduled winter PGA reduction filing and to make an accelerated adjustment to its budget billings. And the Company has offered to relinquish any claim to amounts it could have otherwise retained under the Program in a further effort to procure meaningful price protection for its customers in the future. In short, the Company believes that it has done everything it reasonably could have -- indeed has gone above and beyond what would normally be expected -- to ensure that its customers will benefit from the extraordinary success achieved this winter under the PSP.

² To Laclede's knowledge, neither Staff nor Public Counsel question the fact that Laclede has received at least \$28.5 million in cash payments this winter as a result of its gains from the purchase and sale of financial instruments. Indeed, the Company would have absolutely no reason to overstate the amount of

All that Laclede asks in return is that its offer to benefit its customers be implemented in a manner that is true to the letter and spirit of the offer, rather than in a manner which intimates that the Company may, at some point in the future, have to pay for its good deed twice.

7. By achieving this result, the Revised Tariff Sheet fully complies with the Commission's February 13, 2001 and March 22, 2001 Orders in that it permits Laclede's offer to be implemented as directed by the Commission, while maintaining the Commission's right to subsequently review and take any lawful and reasonable action that is consistent with the Company's implementation of that directive. Moreover, it accommodates both of these goals in a manner that recognizes that utility customers will never benefit from overreaching interpretations of what the Commission's procedures require -- interpretations which suggest that utilities may do good for their customers if, and only if, they are willing to face the prospect that they may be financially penalized someday for having made the effort. The Revised Tariff Sheet should accordingly be approved.

8. Consistent with the Commission's March 22, 2001 Order, Laclede also requests that the Revised Tariff Sheet be approved on an expedited basis. The market price for natural gas, including the price of natural gas financial instruments, has been extremely volatile and any significant delay in the Company's ability to purchase financial instruments could negatively affect Laclede's customers. Moreover, if it is have a reasonable opportunity to operate within the 60-day window requirement, which will expire in early May, the Company must make substantial purchases of natural gas

such gains since it is proposing to flow them all back to its customers in one form or another and any overstatement would only increase the magnitude of the Company's obligations in this regard.

instruments in the very near future. Accordingly, Laclede requests that the Commission permit the Revised Tariff Sheet to become effective on April 6, 2001, or as soon thereafter as is reasonably practicable.

9. In compliance with Rule 4 CSR 240-2.080(17), Laclede would note that it prepared and filed the Revised Tariff Sheet as soon as it reasonably could after its receipt of the Commission's recent *Order Rejecting Tariff*.

Wherefore, for the foregoing reasons, Laclede respectfully requests that the Commission issue its order authorizing the Company's First Revised Tariff Sheet No. 28-e, as filed this date in Case No. GO-2000-394, to become effective by April 6, 2001 or as soon thereafter as is reasonably practicable.

Respectfully submitted,



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CERTIFICATE OF SERVICE

Michael C. Pendergast, Assistant Vice President and Associate General Counsel for Laclede Gas Company, hereby certifies that the foregoing Motion has been duly served upon the General Counsel of the Staff of the Public Service Commission, Office of the Public Counsel and all parties of record to this proceeding by placing a copy thereof in the United States mail, postage prepaid, or by hand delivery, on this 26th day of March, 2001.

Michael C. Pendergast