

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

FILED

JAN 26 1999

GERALD T. MCNEIVE, JR.
SENIOR VICE PRESIDENT - FINANCE
AND GENERAL COUNSEL

Missouri Public
Service Commission

January 26, 1999

HAND DELIVERED

GR-99-315

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Harry S Truman Building
301 W. High Street, 5th Floor
Jefferson City, Missouri 65101

Dear Mr. Roberts:

Transmitted herewith for filing with the Missouri Public Service Commission are the original and fourteen (14) copies of revised tariff sheets which set forth revised rate schedules and certain revised charges for all of the operating divisions of Laclede Gas Company ("Company"). There is attached hereto and incorporated herein by reference Exhibit No. 1, which Exhibit contains a listing and designation of: (1) the revised tariff sheets; and (2) the tariff sheets which are presently on file with the Commission that are to be cancelled.

The charges contained in the revised tariff sheets are designed to produce an increase of approximately \$30.5 million, or 6.1% annually in the revenue of the Company, exclusive of associated taxes. The proposed rate increase is necessary generally to offset certain operating costs, additional return requirements, and the added capital costs associated with the Company's replacement and installation of facilities over the past several years.

The proposed revenue increase has been allocated uniformly to each presently effective rate schedule based on the amount of non-gas revenues derived from such

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schedules. As such, the increase, expressed as a percentage of total revenues, including gas revenues, will vary by rate schedule. The effect of the proposed rates on the Company's residential customers, including the proposed rate design change discussed below, would be to raise the bill of a typical customer who uses gas for heating by an average of \$3.37 per month.

Within the rate schedules, the allocated increase is recovered partially through increases in customer charges. For the General Service ("GS") and Seasonal Air Conditioning rates, the customer charge for residential customers and commercial and industrial customers is proposed to be increased by \$0.50 per month to \$12.50 and \$13.80, respectively. The Company also proposes to increase the customer charge for the Large Volume Service and Interruptible Service rate schedules to \$520 per month and to increase the customer charge for the Large Volume Transportation and Sales rate schedule to \$820 per month. The remainder of the Company's proposed rate increase would be recovered through increased per therm charges, as well as through implementation of and increases in demand and reservation charges, where applicable. Additional information regarding the proposed general rate increase and other proposed changes is contained in Exhibit No. 2 provided herewith pursuant to 4 CSR 240-10.070(3)(B) and 4 CSR 240-40.010(5).

The Company also proposes to alter the design of its GS rate schedule so that its recovery of the costs of distributing gas to customers will better reflect the manner in which such costs are incurred. Presently, the GS rate schedule consists of two types of charges: a customer charge and a commodity charge. The customer charge is designed to recover the minimum fixed distribution costs which are needed to make service available to any customer. The remainder of the costs incurred by the Company to serve its GS customers are recovered through volumetric-based, commodity charges. Nevertheless, many of the costs currently recovered by the Company on a commodity basis do not vary with the customer's total gas consumption. Instead, they are fixed costs that are directly related to the Company's need to stand ready to meet the peak demand that each customer places on the Company's distribution system. Rather than continue to recover such demand-related costs on a commodity basis, the Company believes it is far more appropriate to recover them in the same manner they are caused, i.e., based on a customer's peak usage.

Accordingly, the Company proposes to reduce the commodity charge and add a demand charge to the GS rate


schedule which the customer will pay throughout the year based on the maximum needs of the customer during such period. Such a rate design has several advantages. First, it is more equitable than the existing rate design because it recovers costs from customers in a manner that reflects each customer's cost responsibility. Second, it sends appropriate price signals to customers in that it charges them on a fixed basis for demand-related costs which are also fixed. At the same time, however, it also encourages customers to conserve by permitting them to reduce their individual share of such costs if they can reduce their peak usage over time through conservation measures, installation of more efficient equipment, or other means. Third, the proposed rate structure reduces the potential that fixed costs will be over or under recovered by the Company if weather is warmer or colder than normal. By ensuring that approximately \$30 million in costs will continue to be recovered on a commodity basis, however, it also continues to provide the Company with a substantial incentive to increase its throughput (and lower its average unit costs) through the addition of new customers and uses for natural gas. Fourth, the Company's proposal would accomplish these worthwhile policy objectives through implementation of a proven rate structure that, in one form or another, has been successfully used for years by the Company in connection with other customer classes. Finally, from the standpoint of each individual customer, the proposed demand charge represents a moderate but helpful change to the Company's existing rate structure in that it would decrease a typical customer's bill by approximately \$6 per year, or around 1%, if the weather was 10% colder than normal or, conversely, increase it by the same amount if the weather was 10% warmer than normal.

The Company understands, as should all other interested parties, that the Commission's review of the aforementioned rate design could result in a substantial change, from the manner proposed in this filing, in the way in which the Company's proposed rate increase may be allocated among and within the Company's various rate classes.

Pursuant to the Commission's Report and Order in the Company's last general rate proceeding, Case No. GR-98-374, the Company is also subject to accounting authority orders that permitted the Company to defer certain costs for consideration in this proceeding. The Company will present evidence in this proceeding with respect to the recovery of such costs, the appropriate treatment thereof by the Commission, and the need for continuation of such accounting authorization.

The revised tariff sheets filed herewith contain an issue date of January 26, 1999 with a proposed effective date of February 26, 1999. Pursuant to 4 CSR 240-10.070(3), Laclede will, under separate cover, serve two (2) copies of this filing on the Office of the Public Counsel.

Very truly yours,


Gerald T. McNeive, Jr.
Senior Vice President - Finance
and General Counsel

GTM:jaa

Enclosures

cc: Office of the Public Counsel (2)

LACLEDE GAS COMPANY

Listing and Designation of Revised Tariff Sheets

Issued January 26, 1999

Applicable To All Divisions Of Laclede Gas Company

P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No.	2
Cancelling P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	2
P.S.C. MO. No. 5 Consolidated, Eighth Revised Sheet No.	3
Cancelling P.S.C. MO. No. 5 Consolidated, Seventh Revised Sheet No.	3
P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	4
Cancelling P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	4
P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No.	5
Cancelling P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	5
P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	7
Cancelling P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	7
P.S.C. MO. No. 5 Consolidated, Thirteenth Revised Sheet No.	8
Cancelling P.S.C. MO. No. 5 Consolidated, Twelfth Revised Sheet No.	8
P.S.C. MO. No. 5 Consolidated, Eleventh Revised Sheet No.	9
Cancelling P.S.C. MO. No. 5 Consolidated, Tenth Revised Sheet No.	9
P.S.C. MO. No. 5 Consolidated, Fifth Revised Sheet No.	11
Cancelling P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No.	11
P.S.C. MO. No. 5 Consolidated, Fourth Revised Sheet No.	30
Cancelling P.S.C. MO. No. 5 Consolidated, Third Revised Sheet No.	30
P.S.C. MO. No. 5 Consolidated, Seventh Revised Sheet No.	34
Cancelling P.S.C. MO. No. 5 Consolidated, Sixth Revised Sheet No.	34

Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

GENERAL SERVICE (GS)

Availability - This rate schedule is available for all gas service rendered by the Company, including space heating service.

Rate - The monthly charge shall consist of a customer charge, a demand charge and a charge for gas used as set forth below:

Customer Charge - per month

Residential	\$12.50
Commercial and Industrial	\$13.80

Summer - Billing Months of May-Oct.	Winter - Billing Months of Nov.-Apr.
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Demand Charge - per billing demand therm	\$.4087	\$2.4249
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Charge For Gas Used - per therm

For the first 65 therms used per month	33.390¢	35.089¢
For all therms used in excess of 65 therms	30.780¢	32.477¢

Minimum Monthly Charge - The Customer Charge and the Demand Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE January 26, 1999
month day year

DATE EFFECTIVE February 26, 1999
month day year

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101
name of officer title address

Laclede Gas Company
Name of Issuing Corporation or Municipality

For Refer to Sheet No. 1
Community, Town or City

SCHEDULE OF RATES

GENERAL SERVICE (GS) (Continued)

Determination of Actual Demand, Billing Demand and Demand Charges

Thirty days prior to the start of each winter season, the Company shall file revised Winter and Summer Demand charges based on the maximum actual demand therms calculated for each GS customer over the previous twelve months ended August period ("Historical Period"). The winter and summer demand determinants used to establish such revised charges shall be equal to one-half of the annualized maximum demand therms of customers billed under the GS rate schedule. The revised Winter and Summer Demand charges shall be derived by dividing the GS demand revenue requirement and the GS summer demand revenue requirement established in the Company's last general rate proceeding by the winter and summer demand determinants, respectively. Furthermore, the actual maximum demand calculated above for each customer based on the Historical Period shall be used for purposes of billing such customer for the succeeding twelve months until a new Winter Demand charge is established.

For purposes of determining actual demand for each customer served under the GS rate schedule, the billing months of November through March shall be considered winter months; all other billing months shall be considered summer months. The actual demand for a GS customer for any winter month shall be equal to the total therms used by the customer during the month divided by the number of days in the customer's billing cycle for such month. The actual demand for a GS customer for any summer month shall be one-half of the total therms used during the month divided by the number of days in the customer's billing cycle.

The demand therms used to bill any new customer shall be equal to such customer's maximum actual demand therms as computed above, using the available billing history for such customer since the establishment of the last Winter Demand charge.

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name of officer title address

Laclede Gas Company

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Name of Issuing Corporation or Municipality

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Community, Town or City

SCHEDULE OF RATES

SEASONAL AIR CONDITIONING SERVICE (AC)

Availability - This rate schedule is available for customers who use gas for air conditioning during the six consecutive billing months of May through October, provided that the quantity of gas used during such period for air conditioning purposes is at least twice the quantity of gas used for all other purposes during such period. All gas used by these same customers for the balance of the year shall be billed at the Winter rates set forth below.

Rate - The monthly charge shall consist of a customer charge and a charge for gas used as set forth below:

Customer Charge - per month (Summer and Winter)

Residential	\$12.50
Commercial and Industrial	\$13.80

Summer -	Winter -
Billing	Billing
Months of	Months of
<u>May-Oct.</u>	<u>Nov.-Apr.</u>

Charge For Gas Used - per therm

For the first 65 therms used per month	37.710¢	45.893¢
For all therms used in excess of 65 therms	35.100¢	43.281¢

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates for the summer and winter billing months are based on wholesale gas rates which produce a system average gas cost of 23.570¢ and 28.489¢ per therm, respectively.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

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month day year

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month day year

ISSUED BY K.J. Neises, Senior Vice President, 720 Olive Street, St. Louis, MO 63101
name of officer title address

Laclede Gas Company
Name of Issuing Corporation or MunicipalityFor Refer to Sheet No. 1
Community, Town or City

SCHEDULE OF RATES

LARGE VOLUME SERVICE (LV)

Availability - Service under this rate schedule is available for qualifying firm gas uses including cogeneration and for boiler plant use where gas is the exclusive boiler plant fuel. Service under this rate schedule is available to customers contracting for separately metered gas service for a minimum term of one year with a billing demand equal to, or greater than, 250 therms and an annual usage equal to, or greater than 60,000 therms.

Rate - The monthly charge shall consist of a customer charge, a demand charge, and a commodity charge as set forth below:

Customer Charge - per month	\$520
Demand Charge - per billing demand therm	58¢
Commodity Charge - per therm	
For the first 36,000 therms used per month	31.247¢
For all therms used in excess of 36,000 therms	30.319¢

Minimum Monthly Charge - The Customer Charge plus the Demand Charge.

Terms of Payment - Customer's monthly bills will be computed at both the net and gross rates. Gross rates will be two percent (2%) higher than net rates. The net bill is payable on or prior to due date stated thereon. After this date, the gross bill is payable.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

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Laclede Gas Company

Name of Issuing Corporation or Municipality

For

Refer to Sheet No. 1

Community, Town or City

SCHEDULE OF RATES

INTERRUPTIBLE SERVICE (IN)

Under certain conditions, and from time to time, the Company has excess gas to sell. When the Company has such gas available for resale, it will make short-term contracts for the sale thereof.

Availability - This rate schedule is available to customers contracting for separately metered interruptible gas service for a minimum term of one year with a demand equal to, or greater than, 10,000 cubic feet per hour.

Net Rate - The monthly charge shall consist of a customer charge and a commodity charge as set forth below:

Customer Charge - per month	\$520
Commodity Charge	
First 100,000 therms - per month - per therm	30.911¢
Over 100,000 therms - per month - per therm	29.229¢

Charge For Gas Used During Interruption

All gas used during any period of interruption - per therm	58.473¢
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Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 23.570¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

DATE OF ISSUE January 26, 1999

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Laclede Gas Company

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Community, Town or City

SCHEDULE OF RATES

GENERAL L.P. GAS SERVICE (LP)

Availability - This rate schedule is available for L.P. gas service to those customers located in subdivisions in the Company's certificated area where natural gas is not available, where the subdivision developer is willing to construct the subdivision so as to make it fully adapted to such service and the later conversion to natural gas and where a central L.P. gas system is determined by the Company to be feasible.

<u>Rate</u> - Customer Charge - per month	\$10.50
For all gallons used per month - per gallon	58.410¢

Minimum Monthly Charge - The Customer Charge.

Purchased Gas Adjustment

(A) The above charges shall be subject to an adjustment per gallon, which shall be referred to as the L.P. Current Purchased Gas Adjustment ("L.P. CPGA"), equivalent to the amount by which the price paid by the Company for L.P. Gas is above or below a basic price of 43.21¢ per gallon. Concurrent with any CPGA filing made by the Company for natural gas customers, the Company will compare its current average unit cost for the purchase of L.P. gas to the average unit L.P. gas cost underlying the existing L.P. CPGA. If such difference is greater than or equal to 1.0¢ per gallon, the Company will file a new L.P. CPGA with the Commission, along with supporting materials, based on said current average unit L.P. gas cost. Upon approval by the Commission, such new L.P. CPGA factor will become effective on a pro-rata basis beginning with the effective date stated on Sheet No. 29.

(B) Whenever the actual prices paid by the Company for L.P. Gas differ from the price upon which its then effective adjustment is predicated, the amount of increased or decreased L.P. Gas cost resulting from such difference in price shall be debited or credited to a Deferred Purchased L.P. Gas Cost account. The cumulative balance of such deferred account entries for the same period set out in Paragraph C. 7 of the Company's PGA Clause shall be divided by the estimated amount of L.P. Gas gallons to be sold during the subsequent twelve-month ended October period. The resulting deferred cost per gallon shall be applied as a Deferred L.P. Gas Adjustment which shall be made effective on a pro-rata basis beginning with the effective date of the Company's Winter PGA filing and shall remain in effect until superseded by a revised adjustment in the next scheduled Winter PGA filing. Such deferred adjustment shall increase or decrease the adjustments determined pursuant to Paragraph A hereof. All increases or decreases in charges resulting from the deferred adjustment shall be appropriately recorded in the Deferred L.P. Gas Cost account.

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SCHEDULE OF RATES

UNMETERED GAS LIGHT SERVICE (SL)

Availability - This rate schedule is available, subject to the special provisions included herein, to customers who contract for service thereunder for a minimum term of one year for unmetered gas to be used solely for the continuous operation of gas lights.

Rate

Customer Charge \$4.00 per month

For lights equipped with mantle units with an hourly input rating of 3 cubic feet or less per mantle unit:

Each initial mantle unit per light \$9.00 per month

Each additional mantle unit per light \$7.41 per month

For open flame lights or lights equipped with mantle units with an hourly input rating in excess of 3 cubic feet per mantle unit:

First 3 cubic feet of hourly input rating per light \$9.00 per month

Each additional 3 cubic feet of hourly input rating or fraction thereof per light \$7.41 per month

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29; and such adjustment per therm shall be applied on the basis of an average consumption of 19.7 therms per month per mantle unit. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

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Laclede Gas Company

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SCHEDULE OF RATES

VEHICULAR FUEL RATE (VF)

Availability

This rate schedule shall apply to the sale of separately metered natural gas to customers for the sole purpose of compression by the customer or a party engaged by the customer for use as a vehicular fuel, whether such fuel is used directly by the customer or is resold to other end-user(s) as compressed natural gas ("CNG") for vehicular use.

Service for any end-use of gas other than the compression of natural gas for vehicular use, such as space heating, water heating, processing or boiler fuel use, is not permitted under this schedule. Service which is provided for other end-uses through a separate meter at the same location will be billed by the Company under the applicable rate schedule.

Nothing herein precludes a customer from satisfying its CNG requirements through another sales or transportation rate schedule, where applicable.

Service provided by the Company under this rate schedule does not include the provision of compression services or facilities for CNG purposes.

Rate

Customer Charge - per month \$13.80

Charge For Gas Used - For all therms used
per month per therm 32.197¢

Minimum Monthly Charge - The customer charge.

Purchased Gas Adjustment - The charge for gas used as specified in this schedule shall be subject to an adjustment per therm for increases and decreases in the Company's cost of purchased gas, as set out on Sheet No. 29. The above tariff rates are based on wholesale gas rates which produce a system average gas cost of 28.489¢ per therm.

Late Payment Charge - Unless otherwise required by law or other regulation, 1.5% will be added to the outstanding balance of all bills not paid by the delinquent date stated on the bill. The late payment charge will not be applied to amounts being collected through a pre-arranged payment agreement with the Company that is kept up-to-date.

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Community, Town or City

SCHEDULE OF RATES

RECONNECTION CHARGES

Charges for reconnection of service as described in Rule No. 15 of this tariff, shall be as follows:

- (A) Residential customer. \$54.00
- (B) Commercial or industrial customer, the greater of:
 - (1) The applicable charge set out in (A) above; or
 - (2) A charge that is equal to the actual labor and material costs that are incurred to complete the disconnection and the reconnection of service.
- (C) Residential, commercial, or industrial customer whose service pipe was disconnected and/or whose meter was removed by reason of fraudulent use or tampering, the greater of:
 - (1) The applicable charge set out in (A) or (B) above; or
 - (2) A charge that is equal to the actual labor and material costs that are incurred in the removal of the meter or disconnection of the service pipe and the reinstallation of the meter or the reconnection of the service pipe.

METER READING NON-ACCESS CHARGE

The charge for non-access as described in Rule No. 22 of this tariff, shall be as follows:

Charge For Non-Access. \$10.00

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Laclede Gas Company

Refer to Sheet No. 1

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For

Community, Town or City

SCHEDULE OF RATES

B. CHARACTER OF SERVICE (Continued)

5. Authorized Overrun Provision - When requested by the Customer, and authorized by the Company in its sole discretion, the Customer's DSQ on any day may be increased to a level not to exceed 110% of the currently effective billing demand, without causing an increase in such billing demand.
6. Period of Excess Receipts - Effective at the beginning of any day, as such term is defined in Paragraph 1.1 of Section D hereof, and with the same notice requirements as in B.1. above, any Customer may be ordered to limit its DSQ to 115% of the deliveries made to such Customer. When such limitation order is in effect, the Company will purchase from such Customer any excess receipts at 70% of the lesser of the first of the month index or the daily index published in the Gas Daily for MRT west leg deliveries. Such purchases by the Company shall be used to satisfy the Company's system supply requirements.

C. RATES

The monthly charge per each separately metered location shall consist of the charges set forth below:

Customer Charge - per month	\$820
Reservation Charge - per billing demand therm	52¢
Transportation Charge - per therm transported *	
For the first 36,000 therms transported per month.....	2.102¢
For all therms transported in excess of 36,000 therms.....	1.219¢
Commodity Charge - per therm sold *	
For the first 36,000 therms sold per month.....	30.591¢
For all therms sold in excess of 36,000 therms.....	29.708¢
Storage Charge - per therm for any full or partial month.....	2.00¢
Authorized Overrun Charge - per therm transported.....	4.523¢

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name of officer title address

STATEMENT OF AGGREGATE ANNUAL INCREASE

The aggregate annual increase requested by this rate filing is \$30.5 million, or 6.1%. This is the amount of the increase requested for rates only, and does not include the amount of Gross Receipts Taxes which will be applied thereto.

COMMUNITIES AFFECTED BY FILING

City of St. Louis
Annapolis
Arnold
Ballwin
Bella Villa
Bellefontaine Neighbors
Bellerive
Bel-Nor
Bel-Ridge
Berkeley
Beverly Hills
Black Jack
Bonne Terre
Breckenridge Hills
Brentwood
Bridgeton
Bridgeton Terrace
Calverton Park
Champ
Charlack
Chesterfield
Clarkson Valley
Clayton
Cool Valley
Cottleville
Country Club Hills
Country Life Acres
Crestwood
Creve Coeur
Crystal City
Crystal Lake Park
Dardenne Prairie
Dellwood
Desloge
DeSoto
Des Peres
Edmundson
Ellisville
Eureka

Farmington
Fenton
Ferguson
Festus
Flordell Hills
Florissant
Fredericktown
Frontenac
Glendale
Glen Echo Park
Grantwood Village
Greendale
Green Park
Hanley Hills
Hazelwood
Herculaneum
Hillsboro
Hillsdale
Huntleigh
Jennings
Kinloch
Kirkwood
Ladue
Lake St. Louis
Lakeshire
Leadington
Leadwood
Mackenzie
Manchester
Maplewood
Marlborough
Maryland Heights
Moline Acres
Normandy
Northwoods
Norwood Court
Oakland
O'Fallon
Olivette

COMMUNITIES AFFECTED BY FILING (continued)

Overland	Sycamore Hills
Pacific	Town & Country
Pagedale	Twin Oaks
Park Hills	Union
Parkway	University City
Pasadena Hills	Uplands Park
Pasadena Park	Valley Park
Pevely	Velda City
Pilot Knob	Velda Village Hills
Pine Lawn	Vinita Park
Poplar Bluff	Vinita Terrace
Richmond Heights	Warson Woods
Riverview	Washington
Rock Hill	Webster Groves
St. Ann	Weldon Spring
St. Charles	Weldon Spring Heights
St. Clair	Wellston
Ste. Genevieve	Wentzville
St. George	Westwood
St. John	Wilbur Park
St. Peters	Wildwood
Shrewsbury	Winchester
Sunset Hills	Woodson Terrace

COUNTIES AFFECTED BY FILING

Butler County
Franklin County
Iron County
Jefferson County
Madison County
St. Charles County
St. Francois County
Ste. Genevieve County
St. Louis County

LACLEDE GAS COMPANY
Number of Customers Affected by General
Category of Service and Rate Classification
December, 1998

Residential

General	587,732
Seasonal Air Conditioning	428
General L.P. Gas	208
Total Residential	<u>588,368</u>

Commercial

General	37,460
Seasonal Air Conditioning	46
General L.P. Gas	1
Unmetered Gas Light	120
Vehicular Fuel	4
Large Volume	62
Interruptible	8
Large Volume Transportation and Sales Service	53
Total Commercial	<u>37,754</u>

Industrial

General	1,871
Large Volume	71
Interruptible	7
Large Volume Transportation and Sales Service	100
Total Industrial	<u>2,049</u>

Total

628,171

LACLEDE GAS COMPANY
Average Annual Change Requested in Dollars
and Percentage Change from Current Rates

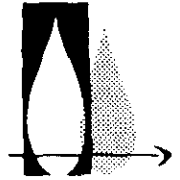
	<u>Average Annual Change</u>	<u>Percentage Change</u>
<u>Residential</u>		
General	\$37	6.0%
Seasonal Air Conditioning	61	6.3%
General L.P. Gas	32	6.5%
Average Residential	\$37	6.0%
<u>Commercial</u>		
General	\$160	6.3%
Seasonal Air Conditioning	1,915	6.3%
General L.P. Gas	22	6.1%
Unmetered Gas Light	32	5.2%
Vehicular Fuel	649	1.3%
Large Volume	3,626	3.1%
Interruptible	4,909	3.1%
Large Volume Transportation and Sales Service	7,538	9.7%
Average Commercial	\$179	6.1%
<u>Industrial</u>		
General	\$516	5.8%
Seasonal Air Conditioning	\$588	6.2%
Large Volume	3,018	2.9%
Interruptible	4,387	3.2%
Large Volume Transportation and Sales Service	10,644	9.0%
Average Industrial	\$1,107	6.2%

LACLEDE GAS COMPANY
Proposed Annual Aggregate Change and
Percentage Change in Revenues from Current Rates

	<u>Annual Aggregate Change</u>	<u>Percentage Change</u>
<u>Residential</u>		
General	\$21,595,984	6.0%
Seasonal Air Conditioning	27,201	6.3%
General L.P. Gas	7,911	6.5%
Total Residential	<u>\$21,631,096</u>	6.0%
<u>Commercial</u>		
General	\$5,845,134	6.3%
Seasonal Air Conditioning	100,362	6.3%
General L.P. Gas	22	6.1%
Unmetered Gas Light	3,782	5.2%
Vehicular Fuel	3,243	1.3%
Large Volume	241,652	3.1%
Interruptible	37,369	3.1%
Large Volume Transportation and Sales Service	<u>359,958</u>	9.7%
Total Commercial	<u>\$6,591,522</u>	6.1%
<u>Industrial</u>		
General	\$960,862	5.8%
Seasonal Air Conditioning	\$196	6.2%
Large Volume	220,371	2.9%
Interruptible	31,110	3.2%
Large Volume Transportation and Sales Service	<u>1,046,707</u>	9.0%
Total Industrial	<u>\$2,259,246</u>	6.2%
Total	<u><u>\$30,481,864</u></u>	6.1%

NEWS RELEASE LACLEDE GAS

LGC Exhibit No. 2
GENERAL INFORMATION
AND PRESS RELEASE
Schedule 6, Page 1 of 1



Contact: Richard N. Hargraves
(314) 342-0652

FOR IMMEDIATE RELEASE:
January 26, 1999

Laclede Gas Company today filed a request with the Missouri Public Service Commission for a general rate increase, to take effect later this year, to offset cost and investment return requirements related to its gas distribution system.

The request by Laclede is not anticipated to result in higher rate levels during the current heating system because the Public Service Commission generally suspends the implementation of general rate increases until the Company's filing has been thoroughly audited and reviewed. That process may take as long as 11 months.

Laclede's request is for a rate adjustment that would increase its annual revenues by \$30.5 million. The proposed new rates would increase a typical residential heating customer's bill by 5.8%, an average of \$3.37 a month.

The rate increase is necessary generally to offset certain operating costs and the added capital costs associated with the Company's replacement and installation of facilities over the past several years. Laclede Gas provides natural gas service to more than 615,000 customers in the St. Louis metropolitan area and in parts of southeastern Missouri.

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REASONS FOR PROPOSED RATE AND TARIFF CHANGES

The Company's proposed rate increase is necessary generally to offset certain operating costs, additional return requirements and the added capital costs associated with the Company's replacement and installation of facilities over the past several years. Changes to other tariff sheets of the Company and reasons in support of such changes are as follows:

Sheet Nos. 2 and 3 were revised to reflect the addition of a demand charge to the Company's GS rate schedule and a reduction in the commodity charges so that the recovery of the cost of distributing gas to customers served under such rate schedule will better reflect the manner in which such costs are incurred.

Sheet No. 30 was revised to increase the Company's charge for certain reconnections of gas service to reflect the higher costs associated therewith.