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

FILED

SEP 30 2003

Missouri Public Service Commission

September 29, 2003

VIA FEDERAL EXPRESS

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

RE: Case No. GR-2002-1103
File No. JG-2003-110552

Dear Mr. Roberts:

Enclosed herewith for filing with the Missouri Public Service Commission is the following revised tariff sheet, which is applicable to both divisions of Laclede Gas Company ("Company"):

P.S.C. MO. No. 5 Consolidated, Thirteenth Revised Sheet No. 22

The purpose of this tariff sheet, which has an issue date of September 29, 2003, and an effective date of October 31, 2003, is to permanently address the applicability of the Company's Actual Cost Adjustment ("ACA") provisions to customers who purchase gas from the Company under the Vehicular Fuel ("VF") rate schedule.

On January 24, 2003 the Company made a filing that terminated the ACA surcharge that became effective for VF customers on November 26, 2002 and that was identical to, and developed in conjunction with, the ACA factor that applied to the Company's Large Volume Transportation and Sales Service ("LVTSS") customers. As further explained in that filing, such termination was justified because the inordinately high ACA surcharge that the Company was billing to VF customers was attributable to actions taken by LVTSS customers during the winter of 2001/2002. In the January 24 filing, which the Commission approved on February 28, 2003, since the Company was only seeking an interim remedy to this inequity for the VF customers, the Company committed to permanently address the applicability of the Company's ACA provisions to VF customers prior to its next ACA filing.

The enclosed tariff sheet addresses such applicability by establishing separate ACA factors for VF customers. In this manner, any over or under recovery of deferred gas costs attributable to LVTSS customers would not impact the ACA rate of the VF customers. At the same time, the Company proposes to limit any VF ACA rate to a $.05 charge or credit, since there are so few VF customers and a change in the number or requirements of VF customers during the ACA recovery period could have a significant impact on the recovery of gas costs allocated to such customers and the calculation of the subsequent ACA rate. Any over or under recovery of gas costs resulting from this capping feature for these VF customers would be deferred to the next ACA recovery period.

Alternatively, if the Commission's preference is to address this issue without adding to the administrative burden of the Staff in having to audit an additional ACA factor, the Company is prepared to excuse VF customers from the payment or receipt of any ACA surcharge or credit. Such an approach would be justified for two reasons. First, unlike the Current Purchased Gas Adjustment ("CPGA") factor for most customers which is adjusted only four times during the year, the CPGA factor for VF customers is adjusted each month to reflect changes in the Company's cost of gas. Thus, there is a greater likelihood that deferred gas costs arising from PGA estimating differences should be smaller for the VF customers than for the Company's other customers. Second, there are only five VF customers who together use approximately 200,000 therms per year. Any deferred gas costs or credits allocable to such customers would be relatively small, and therefore the impact on other sales rates would be minimal.

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

Sincerely,

Michael T. Cline

MTC
Enclosures
cc: Office of the Public Counsel

Laclede Gas Company
Name of Issuing Corporation or Municipality

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

SCHEDULE OF RATES

C. Deferred Purchased Gas Cost Accounts (Continued)

5. Carrying costs shall be applied to certain excesses or deficiencies in gas cost recoveries, which such excesses or deficiencies shall comprise a Deferred Carrying Cost Balance ("DCCB"). The excesses or deficiencies to be included in the DCCB, which shall be computed separately for each of the Company's sales classifications, with the exception of those customers billed under the LVTSS and VF rate schedules, shall be the product of: (a) the difference between the Company's actual annualized unit cost of gas, net of storage injections and withdrawals, and the estimated annualized unit cost of gas factor included in the Company's then most recent PGA filing, and (b) the volumes of gas sold during such month. Each month, carrying costs, at a simple rate of interest equal to the prime bank lending rate (as published in The Wall Street Journal on the first business day of such month), minus one percentage point, shall be credited to applicable sales customers for any excess recoveries of gas costs or credited to the Company for any deficient recoveries of gas costs only when and to the extent that the DCCB exceeds five percent of the Company's average annual level of gas costs for the then three most recent ACA periods.

6. For each twelve-month period ending with the September revenue month, the differences of the comparisons described above including, any carrying costs where applicable, and any balance or credit for the previous year shall be accumulated to produce a cumulative balance of excess or deficiency of gas cost revenue recovery. "Actual Cost Adjustment" (ACA) factors, which shall be included in the Company's Winter PGA filing, as such filing is described in Section E.1, shall be computed by dividing such balances by the applicable estimated sales or transportation volumes during the subsequent twelve-month ended October period for each of the respective sales and transportation classes. Such ACA factors shall remain in effect until superseded by revised ACA factors in the next scheduled Winter PGA filing, with two exceptions. First, the LVTSS sales ACA factor that became effective November 19, 2001shall be terminated on the effective date of One Hundred and Ninetieth Revised Sheet No. 29. Second, the ACA factor applicable to sales made to VF customers effective November 26, 2002 shall be terminated effective March 1, 2003. Effective with the Company's November 2003 PGA rates, separate ACA factors shall be established for the LVTSS and VF rate schedules, and any deferred gas costs which cause the VF ACA factor to be greater than a $.05 per therm charge or credit shall be deferred for recovery until the subsequent ACA recovery period. All actual ACA revenue recovered shall be debited or credited to the balance of the ACA account as appropriate and any remaining balance shall be reflected in the subsequent ACA computations.

DATE OF ISSUE September 29, 2003 (Month Day Year) DATE EFFECTIVE October 31, 2003 (Month Day Year)

ISSUED BY R. L. Sherwin, Assistant Vice President, 720 Olive St., St. Louis, MO 63101
Name of Officer Title Address