

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
April 29, 1999**

CASE NO: GR-99-315

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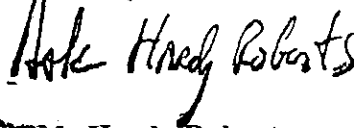
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Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 29th
day of April, 1999.

In the Matter of Laclede Gas Company's Tariff)
to Revise Natural Gas Rate Schedules.) Case No. GR-99-315

**ORDER GRANTING INTERVENTIONS, SETTING PROCEDURAL SCHEDULE
AND ESTABLISHING TEST YEAR**

The Commission issued an order on February 9, 1999, suspending the proposed tariff of Laclede Gas Company (Laclede) and setting an intervention deadline of March 1, 1999. On February 25, 1999, the Commission ordered that Laclede file a proposed test year recommendation, and that the Staff of the Missouri Public Service Commission (Staff) and the Office of the Public Counsel (Public Counsel) file a pleading indicating their positions with regard to Laclede's test year recommendation.

Applications for Intervention

Timely applications to intervene were received from the Missouri Industrial Energy Consumers (MIEC), Union Electric Company, d/b/a AmerenUE (AmerenUE), and MRT Energy Marketing Company (MEM).

MIEC¹ is an association and states in its application that its members are large industrial customers of Laclede which may be affected by the outcome of this proceeding. MIEC indicates that its interest is different from that of the general public and that it is opposed to Laclede's proposed tariff. MIEC states that its intervention will serve the public interest by assisting the Commission in the development of a complete record.

AmerenUE is a utility regulated by the Commission which operates in the City of St. Louis, St. Louis County, in other areas in the state of Missouri, and in other states. AmerenUE states that many of its electric customers are also customers of Laclede. AmerenUE states that it competes with Laclede for revenues generated by their mutual customers. AmerenUE has not yet determined whether it supports or opposes Laclede's proposed tariffs.

MEM is a Delaware corporation with its principal place of business in St. Louis, Missouri. MEM states that it is a marketer of natural gas and power in the service area of Laclede in Missouri. MEM states that intervention is necessary to protect its interests in the production, sale, and transportation of gas to its customers and that its interests are different than the interests of the general public.

¹ For purposes of this proceeding the members of MIEC are: Adam's Mark Hotels, Alcoa Foil Products (Alumax, Inc.), Anheuser-Busch Cos., Inc., The Boeing Company, Ford Motor Company, General Motors Corporation, Hussmann Refrigeration, MEMC Electronic Materials, Inc., Monsanto Company, Paulo Products Company, Proctor & Gamble Manufacturing Company, and Ralston Purina Company.

On March 15, 1999, the Oil, Chemical & Atomic Workers, Local 5-6 (Local 5-6), filed an Application to Intervene Out of Time. Local 5-6 is a labor organization and is the exclusive representative for employees of Laclede. Local 5-6 states that its interest are different than those of the general public or any other party. Local 5-6 states that its views, expertise, and experience will aid the Commission and benefit the public interest during this proceeding. Local 5-6 states that the delay in filing its application was due to the failure of its former counsel to insure that Local 5-6 was adequately represented in this matter. Local 5-6 states that the delay will not prejudice any party to the proceeding.

Barnes-Jewish Hospital, Daimler Chrysler Corporation, Emerson Electric Company, and SSM HealthCare (collectively referred to as "Applicants") filed a joint application to intervene on April 12, 1999. Applicants are owners and operators of large industrial plants and hospitals within the state of Missouri and customers of Laclede. Applicants state that Laclede's proposed tariff will substantially increase their cost of natural gas. Applicants are opposed to Laclede's tariff. Applicants state that the untimeliness of their application to intervene was due to the unavailability and illness of client representatives, and having only recently completed the analysis of Laclede's rate increase filing and its impact on the Applicants. Applicants state that the delay in filing has not hindered the proceedings and that counsel for the Staff, Public Counsel, and Laclede are not opposed to the application.

There were no objections filed to any of the requests for intervention. The Commission has reviewed the applications for intervention and finds that they are in substantial compliance with the Commission rules regarding intervention. The Commission finds that each of the intervenors has an interest in this matter which is different from the interest of the general public. The Commission also finds that there is good cause to grant the applications for intervention filed out of time of Local 5-6, Barnes-Jewish Hospital, Daimler Chrysler Corporation, Emerson Electric Company, and SSM HealthCare. Therefore the Commission will grant all the applications for intervention.

Procedural Schedule

Staff filed a motion to establish a procedural schedule on March 4, 1999, and a request to modify that motion on March 17, 1999. Staff stated that the hearing date as established by the Commission's February 9, 1999, order does not allow sufficient time for the Staff to thoroughly investigate the facts and issues before hearing. Staff states that there are four other cases which substantially affect Staff's workload and which should be considered when establishing a procedural schedule for this case. Staff requested that the Commission establish the following procedural schedule:

Laclede Direct Testimony	-	March 12, 1999
Staff Test Year Recommendation	-	April 6, 1999
Staff, Public Counsel and Intervenors' Revenue Requirement Direct Testimony	-	July 6, 1999

Staff, Public Counsel and Intervenors' Rate Design Direct Testimony	-	July 15, 1999
Prehearing Conference	-	July 19-23 and July 26-27, 1999
Rebuttal Testimony	-	August 17, 1999
Surrebuttal Testimony	-	September 7, 1999
Hearing Memorandum	-	September 14, 1999
Evidentiary Hearing	-	September 20-30, 1999

On March 5, 1999, Laclede filed a motion to establish a procedural schedule which would accommodate the August 9-13, 1999, hearing date previously ordered by the Commission. Laclede proposed the following procedural schedule:

Staff, Public Counsel and Intervenors' Revenue Requirement Direct Testimony and Schedules	-	June 3, 1999
Staff, Public Counsel and Intervenors' Rate Design Direct Testimony and Schedules	-	June 10, 1999
Prehearing Conference	-	June 21-25, 1999
All Parties' Rebuttal Testimony and Schedules	-	July 15, 1999
All Parties' Surrebuttal Testimony and Schedules	-	July 28, 1999
Hearing Memorandum	-	August 2, 1999
Evidentiary Hearing	-	August 9-13, 1999

Laclede stated in its motion that it had contacted counsel for the other existing and prospective parties and that only Staff had an objection to its proposed schedule.

Public Counsel filed a response to Staff's motion on March 8, 1999, in which it indicates that it supports Staff's proposed procedural schedule. Public Counsel suggests some slight modifications to Staff's original schedule. Those modifications were incorporated by Staff in its modified schedule.

On March 15, 1999, Laclede filed a pleading titled Response of Laclede Gas Company to Staff's Motion for Procedural Schedule in Laclede's General Rate Case No. GR-99-315 and Renewed Request for On-the-Record Presentation to Discuss a Comprehensive Resolution of All Procedural Issues in Captioned Dockets. The pleading was filed in three separate cases pending before the Commission: GR-99-315, GT-99-303, and GO-98-484. Laclede states that it is respectful of the Staff's workload, but is opposed to further delay in GR-99-315. Laclede states that it "is willing to go along with an extension of the procedural schedule in Laclede's rate case, but only if the Company in exchange receives a one-year extension of its existing" Gas Supply Incentive Plan (GSIP) in Case No. GT-99-303. Laclede requests that an on-the-record presentation be scheduled so that procedural issues from all three cases can be discussed and presented to the Commission.

The Commission issued an order on April 13, 1999, in Case No. GT-99-303 in which the Commission denied Laclede's request for an on-the-record presentation and modified its procedural schedule in that

case. None of the parties have responded to Laclede's motion in this case.

The Commission has considered the proposed procedural schedules, the responses to the proposed procedural schedules, and Laclede's request for an on-the-record presentation. The Commission finds that an on-the-record presentation would not be beneficial or appropriate at this time and would result in further delay. Therefore, Laclede's motion for an on-the-record presentation will be denied. The Commission is aware of the Staff's heavy workload; however, to allow the Commission ample time to thoroughly review and consider all the evidence presented at the hearing, the Commission cannot extend the hearing dates by the full six weeks requested by Staff. The Commission has reconsidered its hearing dates to allow some additional time for the filing of testimony. The Commission will adopt the procedural schedule set out below and finds that the following conditions should be applied to the schedule:

(A) 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.

(B) The parties shall agree upon and the Staff shall file a list of the issues to be heard, the witnesses to appear on each day of the hearing and the order in which they shall be called, and the order of

cross-examination for each witness. Any issue not contained in this list of issues will be viewed as uncontested and not requiring resolution by the Commission.

(C) Each party shall file a statement of its position on each disputed issue. Such statement shall be simple and concise, and shall not contain argument about why the party believes its position to be the correct one.

(D) The Commission's general policy provides for the filing of the transcript within two weeks after the hearing. If any party seeks to expedite the filing of the transcript, such request shall be tendered in writing to the regulatory law judge at least five days prior to the date of the hearing.

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

(F) 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 three copies of the exhibit are necessary for the court reporter. If an exhibit has not been prefiled, the party offering it should bring, in addition to the three copies for the court reporter, copies for the five Commissioners, the regulatory law judge, and all counsel.

Test Year Recommendations

Laclede recommend that a test year ending December 31, 1998, be used in this proceeding. Laclede further recommends that the test year be updated through at least March 31, 1999, or a later date if one can be accommodated by the procedural schedule. Laclede also requests that the Commission schedule a true-up audit and hearing in late September in order to permit items that are known and measurable by August 1, 1999, to be recognized in the rates. Laclede listed the items it believes will be known and measurable in its recommendation and motion. AmerenUE, Public Counsel, and Staff all concur with Laclede's proposed test year.

The Commission has considered the recommendation of Laclede and the concurrences of Staff, Public Counsel, and AmerenUE. The Commission will adopt Laclede's proposed test year.

IT IS THEREFORE ORDERED:

1. That the applications for intervention of the Missouri Industrial Energy Consumers, Union Electric Company, d/b/a AmerenUE, MRT Energy Marketing Company, Oil, Chemical & Atomic Workers, Local 5-6, Barnes-Jewish Hospital, Daimler Chrysler Corporation, Emerson Electric Company, and SSM HealthCare are granted.

2. That Laclede Gas Company's motion for an on-the-record presentation is denied.

3. That the following procedural schedule be adopted for this proceeding, subject to the conditions discussed above:

Staff, Public Counsel, and Intervenors' Revenue Requirement Direct Testimony	-	June 14, 1999 3:00 p.m.
Staff, Public Counsel, and Intervenors' Rate Design Direct Testimony	-	June 21, 1999 3:00 p.m.
Prehearing Conference	-	June 28 - July 2, 1999 First Day 10:00 a.m.
List of Issues Filed by Staff	-	July 12, 1999 3:00 p.m.
Rebuttal Testimony	-	July 29, 1999 3:00 p.m.
Surrebuttal Testimony	-	August 16, 1999 3:00 p.m.
Statements of Position All Parties	-	August 23, 1999 3:00 p.m.
Hearing -	-	Aug. 30 - Sept. 3, 1999 First Day 9:00 a.m.

4. That the hearing will be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri. Any person with special needs as addressed by the Americans With Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline - 1-800-392-4211, or TDD Hotline - 1-800-829-7541

5. That the test year for purposes of Case No. GR-99-315 is established as the twelve months ending on December 31, 1998, updated for known and measurable changes through March 31, 1999.

6. That this order shall become effective on May 11, 1999.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer,
Murray and Schemenauer, CC., concur.

Dippell, Senior Regulatory Law Judge

**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson
City,**

Missouri, this 29TH day of APRIL, 1999.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

ALJ/Sec'y: Duppell / Pope
4-27 6R-99-315
Date Circulated CASE NO.

LD p58
Lumpé, Chair
(Signature)
Crimpton, Commissioner
EM
Murray, Commissioner
(Signature)
Schemenauer, Commissioner
md
Drainer, Vice-Chair

4-29
Agenda Date

Action taken: 5-0 A A

Must Vote Not Later Than _____

**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson
City,

Missouri, this 29TH day of APRIL, 1999.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge