

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

AREA CODE 314
342-0532

MICHAEL C. PENDERGAST
ASSOCIATE GENERAL COUNSEL

August 17, 1999

FILED

AUG 18 1999

VIA FEDERAL EXPRESS

Missouri Public
Service Commission

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, MO 65101

RE: Case No. GR-99-315

Dear Mr. Roberts:

Enclosed for filing on behalf of Laclede Gas Company, the Staff of the Missouri Public Service Commission and the Office of the Public Counsel please find the original and fourteen copies of the Joint Motion to Establish True-Up Audit and Hearing in the above referenced case. Please see that this filing is brought to the attention of the appropriate Commission personnel.

Please file-stamp the additional copy of such filing and return the same in the pre-addressed, stamped envelope provided.

Thank you for your consideration in this matter.

Sincerely,


Michael C. Pendergast

MCP:jaa

Enclosures

cc: All parties of record

FILED

AUG 18 1999

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

JOINT MOTION TO ESTABLISH TRUE-UP AUDIT AND HEARING

COMES NOW Laclede Gas Company ("Laclede") the Staff of the Public Service Commission of the State of Missouri ("Staff") and the Office of the Public Counsel ("Public Counsel") hereinafter the "Joint Movants", and in support of their motion to establish True-up Audit and Hearing, state as follows:

1. By Order dated February 25, 1999, the Commission directed Laclede to file its recommendation concerning the proper test year to be used in this case and any request for a true-up audit and hearing as part of its direct testimony. In that same order, the Commission also directed Staff, Public Counsel and other parties to respond to Laclede's test year recommendations by April 6, 1999 and submit their recommendations regarding a true-up audit and hearing as part of their direct filing in this proceeding.

2. Pursuant to the Commission's Order, the Joint Movants ultimately recommended that a test year ending December 31, 1998 be used in this proceeding, and that such

test year be updated through March 31, 1999. The test year recommendations of the Parties were subsequently adopted by the Commission by Order dated April 29, 1999.

3. The Joint Movants also submitted substantially similar recommendations concerning the true-up hearing and audit to be held in this case. Consistent with these recommendations, the Parties request that the Commission schedule a true-up audit and hearing in late September in order to permit certain items that will be known and measurable on or before August 1, 1999 to be recognized in rates. These items include:

- (a) revenues associated with customer changes as of August 1, 1999
- (b) rate base component changes and associated depreciation and property taxes, as of August 1, 1999;
- (c) capital structure changes for long-term debt, short-term debt, preferred stock and common equity;
- (d) changes in employee levels and benefits costs, including costs associated with the August 1, 1999, contract wage increases for union employees in the Laclede and Missouri Natural Divisions, and changes in management salaries;
- (e) the effect of any change in the Commission's annual assessment for fiscal year 2000;
- (f) costs associated with maintenance agreements for computer systems which are in service;
- (g) changes in rate case expenses;

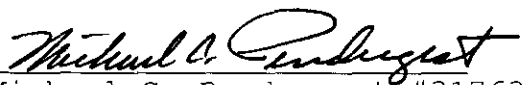
- (h) verifiable cost changes associated with the calculable increases in facility locates;
- (i) changes in deferred balances and amortizations associated with the tracking mechanisms and accounting authorizations granted to Laclede in its last two rate case proceedings, based on the parties' positions on this issue.

4. The Joint Movants believe that the items specified above represent a balanced package of adjustments that will prevent any improper mismatch of expenses, revenues and rate base. The Joint Movants also believe that such items can be reasonably audited and reflected in rates within the time frames recommended herein.

WHEREFORE, for the foregoing reasons, Laclede Gas Company, the Commission Staff and the Office of the Public Counsel respectfully request that the Commission establish and schedule a true-up audit and hearing in accordance with the recommendations set forth herein.

Respectfully Submitted,

LACLEDE GAS COMPANY

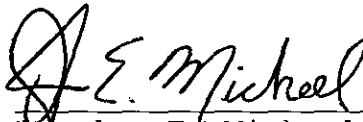

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CERTIFICATE OF SERVICE

Michael C. Pendergast, Associate General Counsel for Laclede Gas Company, hereby certifies that the Motion to Establish True-Up Audit and Hearing in this case has been duly served upon all parties of record to this proceeding by placing a copy thereof in the United States mail, postage prepaid, on this 18th day of August, 1999.

Handwritten signature of Michael C. Pendergast in cursive script.