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August 23, 1999

BY FACSIMILE AND BY FEDERAL EXPRESS

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Truman Building, Fifth Floor
301 West High Street
Jefferson City, MO 65101

**Missouri Public
Service Commission**

FILED

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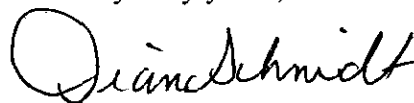
Re: Position Statement of the Missouri Industrial Energy Consumers
Case No. GR-99-315

Dear Mr. Roberts:

Enclosed for filing with the Commission are an original and fourteen (14) copies of the Position Statement of the Missouri Industrial Energy Consumers ("MIEC") in the above-referenced case.

Please "file-stamp" the additional copy and mail it back to me in the enclosed, self-addressed stamped envelope. Thank you for your assistance in bringing this filing to the attention of the Commission, and please call me if you have any questions.

Very truly yours,



Diana M. Schmidt

DMS/dv

Attachments

Meters and regulators should be allocated using the method proposed by the Office of Public Counsel (OPC). Services should be allocated as proposed by OPC.

4. The analysis should change the allocation of supervision and “all other” expenses within the distribution operation and maintenance functions.
5. The interruptible sales demand used in cost allocation should be adjusted to reflect approximately 50 percent of the demand imposed by the customers (100 percent load factor).
6. The coincident and non-coincident peak demands should be adjusted to reflect design day conditions.
7. The various costs incurred for the reservation of gas supply capacity should be allocated based on winter seasonal requirements.
8. The rates for all of the large volume services provided by Laclede should be adjusted to better reflect the cost of providing the services. The MIEC recommends that transportation rates be reduced by at least 24 percent; its cost study demonstrates the need for a 40 percent reduction. With respect to other classes, cost-based adjustments should also be made. The most equitable approach would be a full cost-of-service adjustment; that is, to fully eliminated rate subsidies so that each class of customers will pay the costs incurred by Laclede in providing services. As an alternative approach, the MIEC recommends elimination of 50 percent of the variation from cost.
9. The terms and conditions of transportation service regarding “Period of Excess Receipts” should be changed as recommended on Pages 22-23 and Schedule 5 of the Direct Testimony of Donald Johnstone. These changes will avoid unnecessary

restrictions on customers while continuing to address Laclede's goal of deterring gas supply problems that can be created when receipts exceed deliveries.

The MIEC reserves the right to take a position on the issues at trial and in briefing based upon evidence presented at trial.

Respectfully Submitted,

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ATTORNEY FOR THE MIEC

CERTIFICATE OF SERVICE

I hereby certify that copies of this Statement Regarding Position of The Missouri Industrial Energy Consumers have been served via first-class, U.S. mail, postage prepaid, on this 23rd day of August, 1999, to all parties of record.

